



California ISO

California Independent System Operator Corporation

December 9, 2025

The Honorable Debbie-Anne A. Reese
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER26-____-000**

Tariff Amendment to Comply with Order No. 1920

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Dear Secretary Reese:

The California Independent System Operator Corporation (CAISO) submits this tariff amendment to comply with Order No. 1920,¹ which the Federal Energy Regulatory Commission issued to remedy deficiencies in existing transmission planning and cost allocation requirements by requiring transmission providers to conduct sufficiently long-term assessments of transmission needs, adequately account for known determinants of Long-Term Regional Transmission needs, and consider a broader set of benefits of regional transmission facilities.² The CAISO's proposed tariff revisions in this compliance filing achieve these goals and address CAISO-specific needs.

The CAISO proposes to adopt all of Order No. 1920's proposed reforms by developing a new Long-Term Regional Planning Process and adjusting existing processes to conform with the directives of the Order. The CAISO seeks no variations from the Order and proposes to comply with the Order as described. Where Order No. 1920 provides flexibility in the development of a Long-Term Regional Transmission Planning process, the CAISO proposes specific processes to meet the Order's directives.³ Building on the flexibility provided by Order No. 1920,⁴ the CAISO proposes to revise the sequence of its transmission planning processes as follows: beginning in 2030 it will issue a Long-Term Regional Transmission Plan consistent with Order No. 1920 as well as a comprehensive transmission plan that looks forward over a 10-15 year horizon. Thereafter, the CAISO will issue a Long-Term Regional Transmission Plan every four years, a comprehensive transmission plan every two years, and an interim reliability assessment every other year in which it does not issue a comprehensive transmission plan. This sequence balances the additional work for state agencies, local regulatory authorities, stakeholders, and the CAISO associated with transmission planning under Order No. 1920 as well as leverages existing processes and procedures to coordinate this work. Moreover, this sequencing will continue to

¹ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Order No. 1920, 187 FERC ¶ 61,068 (2024) ("Order No. 1920"), *order on reh'g & clarification*, Order No. 1920-A, 189 FERC ¶ 61,126 (2024) ("Order No. 1920-A"); *order on reh'g & clarification*, Order No. 1920-B, 191 FERC ¶ 61,026 (2025) ("Order No. 1920-B"). Order Nos. 1920, 1920-A, and 1920-B are sometimes referred to collectively in this transmittal letter as "Order No. 1920," but not where distinguishing between those two Commission issuances is necessary.

² Order No. 1920 at P 1.

³ Order No. 1920-A confirms that the Order utilizes the "consistent with or superior standard" to all requirements of the Order, not just the OATT provisions.

⁴ Order No. 1920 at PP 241-244, which allows for ongoing consideration of policy-driven transmission in Order No. 1000 regional transmission planning process as well as flexibility to allow transmission providers to propose a regional transmission planning process that simultaneously plans for shorter-term reliability and economic transmission needs.

allow the CAISO to identify upgrades and additions necessary to meet applicable reliability criteria and support resource adequacy requirements.

The CAISO respectfully requests that the Commission accept this filing in compliance with the requirements of Order No. 1920. The CAISO requests the Commission notice January 20, 2026, as the date for comments in response to this filing. Given the scope of this compliance filing, this comment period will provide stakeholders, state agencies, and federally recognized Tribes adequate time to review and file any comments.

I. Introduction

Order No. 1920 provides an opportunity for the CAISO to formalize existing processes that involve both planning for Long-Term Regional Transmission Needs and coordinating with state agencies and stakeholders on that planning. When the CAISO released its first 20-Year Transmission Outlook (20-Year Outlook) in 2022, it did not recommend specific projects for approval as part of the annual transmission planning process. The goal of the 20-Year Outlook, which the CAISO developed in close coordination with state agencies and incorporated input from stakeholders and local regulatory authorities, was to provide an analysis of the broad architecture of California's future transmission network. The CAISO also designed the 20-Year Outlook to clarify the magnitude of the challenge in building major pieces of infrastructure – inside and outside the state – needed to create a more sustainable grid for California and the region. The CAISO's compliance with Order No. 1920 builds upon the 20-Year Outlook to create a tariff-based process for the CAISO to evaluate and potentially select facilities on this longer time horizon, utilizing the framework for evaluation directed by the Commission.

In developing its compliance plan for Order No. 1920, the CAISO leverages existing relationships with the California state agencies, particularly as formalized through a Memorandum of Understanding (MOU) between the California Public Utilities Commission (CPUC), the California Energy Commission (CEC) and the CAISO regarding transmission and resource planning and implementation.⁵ The MOU provides a cornerstone to reinforce the cooperation and collaboration of the three parties in the timely development of resources needed to achieve the state's energy goals reliably and economically. It reaffirms the connections between the CEC's Integrated Energy Policy Report, the CPUC's Integrated Resource Planning process and the CAISO's 20-Year Outlook and transmission planning and approval process. The CAISO anticipates that through Order No. 1920's Long-Term Regional Planning Process, the CAISO can continue to support the MOU objectives to tighten linkages between planning, procurement direction, the CAISO interconnection process, and local planning.

⁵ A copy this MOU is available on the CAISO's website: <https://www.caiso.com/documents/iso-cec-and-cpuc-memorandum-of-understanding-dec-2022.pdf>.

II. Background

A. Order Nos. 1920, 1920-A, 1920-B

On May 13, 2024, the Commission issued Order No. 1920, which reformed regional transmission planning and cost allocation. Order No. 1920 mandates that transmission providers, including the CAISO, adopt a forward-looking, scenario-based approach to Long-Term Regional Transmission Planning. Specifically, Order No. 1920 requires transmission providers to develop and maintain transmission plans that span at least a 20-year planning horizon, incorporating multiple future scenarios that reflect anticipated load growth, evolving generation portfolios, and state policy mandates. The order compels a shift to a more comprehensive, longer-term framework designed to ensure system reliability while facilitating the integration of resources necessary to meet state and federal policy goals. Additionally, Order No. 1920 introduces requirements for evaluating advanced transmission technologies, greater coordination with state entities during planning processes, and increased transparency in cost allocation methodologies.

Following issuance of Order No. 1920, stakeholders requested clarification on several key procedural and substantive aspects of Order No. 1920, leading to the adoption of Order Nos. 1920-A and 1920-B. Order No. 1920-A, issued in October 2024, clarified the procedural implementation obligations for transmission providers. It addressed questions about the frequency and timing of required scenario analysis, the role of non-transmission alternatives in long-term planning, and the level of detail required in cost allocation discussions.

Subsequently, Order No. 1920-B, issued in March 2025, resolved ambiguities regarding interregional coordination requirements. Order No. 1920-B emphasized that transmission providers must consult with neighboring planning regions to identify potential interregional solutions early in the planning process, rather than consideration after regional plans are finalized. Together, Order Nos. 1920, 1920-A, and 1920-B establish the regulatory framework under which CAISO must develop its Long-Term Regional Transmission Plan and revise its comprehensive transmission planning process.

B. CAISO Compliance Filing Extension

Order No. 1920 set a compliance deadline of ten months from the effective date of the final rule, except for the compliance requirements related to interregional transmission coordination, which are due within twelve months of the final rule.⁶ This resulted in compliance deadlines of June 12, 2025, and August 12, 2025, respectively.

⁶ Order No. 1920 at PP 1768, 1770.

Order No. 1920-A provided for an extension of the Relevant State Entity engagement period if unanimously requested by relevant states.⁷ On February 11, 2025, the Committee on Regional Electric Power Cooperation (CREPC) 1920 Ad Hoc Committee filed a motion to extend the State Engagement Period for at least six months for both the NorthernGrid and WestConnect Order No. 1000 planning regions, and similarly extend the compliance filing deadline for a similar six months. The Commission granted that motion on April 1, 2025.⁸ The CAISO filed a related motion to extend its timeline for compliance, referencing the need for alignment between the Western planning regions on the interregional coordination amendments. The Commission granted the CAISO's motion on April 25, 2025, with the compliance deadlines then extended to December 12, 2025, and February 12, 2026.⁹ The CAISO also submits proposed tariff language to comply with the interregional transmission coordination requirements in this filing.

The Commission has since granted a further extension for CAISO's neighboring planning regions, NorthernGrid and WestConnect.¹⁰ These extensions were based on ongoing cost allocation discussions. The CAISO does not anticipate any impacts to the interregional coordination tariff provisions proposed in this filing. If any arise, the CAISO may make a future filing to ensure necessary alignment.

C. CAISO's Existing Order No. 1000 Transmission Planning Process

In compliance with Order No. 1000, the CAISO conducts its transmission planning through a structured, multi-phase process established in Section 24 the tariff. Transmission planning serves as CAISO's mechanism for identifying solutions to meet the evolving needs of its grid. The CAISO's existing planning process addresses both regional and local transmission needs. Unlike some planning regions that assign local planning to the transmission owners, the CAISO conducts both regional and local transmission planning for all transmission facilities at all voltage levels under its operational control. The CAISO's Participating Transmission Owners (Participating TOs) cannot approve any transmission system expansions, extensions, or upgrades – only the CAISO can. The CAISO's planning process unfolds across three primary phases:

- **Phase 1** centers on the development of unified planning assumptions and a study plan. Inputs to this phase include demand forecasts, resource portfolios provided by state agencies such as the California Public Utilities Commission (CPUC) and the

⁷ Order No. 1920-A at P 677.

⁸ Notice of Extension of Time, RM21-17-000 (April 01, 2025).

⁹ Notice of Extension of Time, RM21-17-000 (April 25, 2025).

¹⁰ Notice of Extension of Time, RM21-17-000 (Oct. 17, 2025).

California Energy Commission (CEC), previously approved transmission upgrades, and stakeholder-proposed alternatives. The outcome is a unified study plan that establishes the modeling frameworks and scenarios against which the CAISO evaluates system needs.

- **Phase 2** involves studies designed to assess system reliability, evaluate policy-driven transmission needs (including state renewable energy mandates), and identify economically beneficial transmission expansions. During this phase, the CAISO solicits solution proposals from participating transmission owners, regulators, and stakeholders, including potential non-transmission alternatives such as energy storage or demand response programs. Phase 2 is a sequential technical assessment process in which the economic studies are conducted after reliability-driven projects and policy-driven transmission solutions have been identified so as to identify economically beneficial transmission solutions. The CAISO conducts these technical assessments for both local and regional transmission needs. In addition to local capacity requirement studies, the CAISO also includes the needs and resource plans of local regulatory authorities when conducting these technical assessments. The culmination of Phase 2 is the drafting of a comprehensive transmission plan identifying recommended local and regional transmission projects, both upgrades and new builds.
- **Phase 3** implements a competitive solicitation process for eligible projects, consistent with Order No. 1000's directives to promote competition in transmission development. This phase includes the evaluation of project sponsor applications and comparative analysis of proposals to meet identified transmission needs in an efficient and cost-effective manner.

Throughout the process, CAISO emphasizes transparent stakeholder engagement and coordination with interconnected balancing authorities. As described herein and in the CAISO's tariff, the CAISO tariff contains multiple opportunities for stakeholders to engage throughout the process.

D. CAISO's 20-Year Outlook

The CAISO developed a 20-Year transmission outlook process to help assess long-term transmission infrastructure needs in its region. Most recently updated in July 2024, the 20-Year Outlook serves as a conceptual blueprint for system development through 2045. This CAISO has performed this informational outlook outside of a tariff-based planning requirement and it is not a vehicle for approving any facilities.

The 2024 20-Year Outlook is a technical assessment of the substantial system changes driven by load growth, electrification, and resource diversification. The Outlook is a high-level technical analysis of the bulk power system that helps identify conceptual

transmission solutions for a range of load and resource scenarios over a 20-year timeframe. The 20-year Outlook differs from Order No. 1920's Long-Term Regional Planning Process in that it serves as a forward-looking informational document and not a basis for approving projects. With the shift to Order No. 1920's planning framework, the CAISO will use a tariff-based process through which it can make planning decisions that may result in the selection of specific facilities.

The CAISO will use the planning framework and experience for this 20-Year Outlook as a critical foundation for the development of the new Long-Term Regional Planning Process. With the new Long-Term Regional Planning Process, the CAISO anticipates eliminating the 20-year Outlook.

E. The CAISO's Transmission Cost Allocation Paradigm

The CAISO allocates the costs of all Regional Transmission Facilities under the CAISO's operational control, *i.e.*, transmission facilities 200 kV and above and located within a single Participating TO's service territory, system-wide, on a postage-stamp basis.¹¹ Thus, whether the justification for a newly approved network transmission facility at 200 kV or above is reliability, public policy, economics, or some other permissible justification, the costs of the transmission facility are recovered through the CAISO's single High Voltage Access Charge (also known as the Regional Access Charge), which is a volumetric rate assessed to market participants who withdraw energy from the grid.¹² The CAISO allocates the costs of all network transmission facilities below 200 kV to the applicable Participating TO, who recovers the costs of such lower-voltage facilities from its customers that use the lower-voltage facilities. The Participating TO establishes its lower-voltage usage charge rate in its own transmission owner tariff on file with the Commission and collects it, using data the CAISO provides, from the customers of its local service area that actually withdraw energy from those lower-voltage facilities.¹³ After consultation with Relevant State Entities, the CAISO is not proposing any changes to its transmission cost allocation paradigm in this compliance filing.

¹¹ Transmission facilities constructed after the CAISO's Order No. 1000 compliance effective date that interconnect the transmission facilities of two or more Participating TOs or one Participating TO and an external balancing authority area are considered Regional Transmission Facilities because they are not located entirely within a single Participating TO's footprint.

¹² CAISO tariff section 26.1(a). Utility Distribution Companies and Metered Subsystem Operators that are serving Gross Load in a PTO Service Territory pay the access charge based on their Gross Load. *Id.* CAISO tariff section 26.1(c). Wheeling customers pay the Wheeling Access Charge, which is the same volumetric rate as the Regional Access Charge for exports. CAISO tariff section 26.1.4.

¹³ As indicated above, the CAISO Tariff treats transmission facilities below 200 kV that extend beyond the footprint or service territory of the Participating TO as Regional Transmission Facilities, not Local Transmission Facilities.

F. Compliance with Order No. 890 Planning Principles

In prior orders, the Commission adopted principles to guide the development of transmission planning processes. In Order No. 890, the Commission directed all transmission providers to develop a transmission planning process that satisfies nine principles and to clearly describe that process in their tariffs. These transmission planning principles include: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects.¹⁴ The Commission determined that the CAISO's transmission planning process meets these requirements.¹⁵

As part of Order No. 1000, the Commission required *regional* transmission planning processes comply with the following Order No. 890 principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; and (7) economic planning studies.¹⁶ FERC adopted separate reforms to address Order No. 890 principles involving regional participation and cost allocation in regional transmission planning. The Commission determined the CAISO's Order No. 1000 regional transmission planning process meets these requirements.¹⁷

In Order No. 1920, the Commission requires that Long-Term Regional Transmission Planning comply with the following existing Order No. 890 and Order No. 1000 transmission planning principles: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; and (6) dispute resolution.¹⁸ By leveraging the CAISO's existing transmission planning process, the CAISO's regional transmission planning process submitted with this compliance filing will continue to meet the principles articulated in Order No. 890 and Order No. 1000. In addition, the CAISO's Long-Term Regional Transmission Planning Process will meet these principles.

¹⁴ Order No. 890, 118 FERC ¶ 61,119 at PP 418-601.

¹⁵ *Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶ 61,283 (2008); and *Cal. Indep. Sys. Operator Corp.*, 127 FERC ¶ 61,172 (2009). See also, *Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,224 (2010) at P 3, finding the CAISO's revised transmission planning process to include, among other things, the consideration of public policy-driven projects, and filed prior to the adoption of Order No. 1000 complies with Order No. 890. In its underlying filing, the CAISO relied on a Commission Staff White Paper that set forth a "road map" of issues that transmission providers should address in their filings to demonstrate compliance with Order No. 890- principles. See CAISO tariff amendment in Docket No. ER10-1401 dated June 4, 2010, at 73-80.

¹⁶ Order No. 1000 at PP 146-165.

¹⁷ *Cal. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,057 (2013); *Cal. Indep. Sys. Operator Corp.*, 146 FERC ¶ 61,198 (2014); *Cal. Indep. Sys. Operator Corp.*, 149 FERC ¶ 61,249 (2014).

¹⁸ Order No. 1920 at P 224.

(1) Coordination

In Order No. 890, the Commission stated that the transmission planning procedures must include “[t]he process for consulting with customers and neighboring transmission providers.”¹⁹ The CAISO’s regional transmission planning process involves multiple phases that include coordination activities. These activities and opportunities for coordination involve the publication of draft unified planning assumptions and a draft study plan; finalization of the study plan; issuance of preliminary results of technical analysis, updates on studies and evaluations; and publication of a draft comprehensive transmission plan.²⁰ Throughout the phases of the CAISO’s regional transmission planning process, the CAISO holds public meetings and posts materials on its website, and it alerts stakeholders to these coordination opportunities via market notice.

Opportunities to participate in different phases of the CAISO’s regional transmission process will remain the same as they do today²¹ with the overlay of new coordination processes to help advance Long-Term Regional Transmission Planning. These new coordination processes will provide stakeholders, states, and federally recognized Tribes with an opportunity to provide significant input into the development of Long-Term Scenarios. This input will include proposing factors for consideration, providing information and identifying sources of best available data, proposing how a factor may affect long-term needs, and explaining how to reflect that factor in Long-Term Scenarios.²² The CAISO will post on its website a draft of the factors for use in developing the Long-Term scenarios and a description of how the CAISO will utilize those scenarios. The CAISO will issue a market notice announcing the availability of such draft, solicit comments, and schedule a public conference or conferences to review, discuss, and receive recommended modifications to the draft factors. The CAISO will provide notice of all stakeholder meetings, web conferences, or teleconferences through a market notice. The CAISO will also afford all interested parties an opportunity to provide additional comments on the draft factors. The CAISO will post all comments on the draft factors on its website and will also publish the final factors and how the CAISO will account for each specific factor. The CAISO may conduct other stakeholder meetings as necessary. Finally, the CAISO will continue to participate in regional and sub-regional planning committees and meetings. This is consistent with the Commission’s recognition in Order No. 890 that it may be “appropriate in certain circumstances, such as a particular meeting of a subregional

¹⁹ Order No. 890 at P 602.

²⁰ See *generally*, existing CAISO tariff sections 24.3 and 24.4.

²¹ Proposed CAISO tariff sections 24.2, 24.3, and 24.4.

²² Proposed CAISO tariff section 24.11.1.

group, to limit participation to a relevant subset of these entities.”²³ The Commission should find the CAISO’s coordination practices are consistent with Order No. 890 and Order No. 1000 planning principle for coordination.

(2) Openness

In Order No. 890, the Commission stated planning procedures must include “[n]otice procedures and anticipated frequency of meetings or planning related communications.”²⁴ The principle of openness focuses on access and participation throughout the transmission planning process.²⁵ Notably, planning meetings must be open to all affected parties, including (1) customers, (2) competitors, and (3) state authorities.²⁶ Order No. 1000 reforms further provided that a regional transmission planning process that does not consider and evaluate transmission projects proposed by nonincumbents cannot meet the Order No. 890 principle of openness.²⁷ The CAISO’s current regional transmission planning process, which the Commission has found to satisfy the principles of Order Nos. 890 and 1000, includes public meetings expressly open to Market Participants, state and local regulatory agencies, and other interested parties.”²⁸ The CAISO provides stakeholders opportunities to provide written comments regarding technical study results and the proposals submitted by the Participating TOs and non-incumbents.²⁹ These opportunities will continue under the CAISO’s regional transmission planning process. The CAISO’s proposed Long-Term Regional Transmission Planning process leverages the CAISO’s existing regional transmission planning process to provide stakeholders, state and federal-recognized Tribes with the opportunity to attend public meetings, provide information on data inputs and their use, and provide comments on technical study results and any proposals submitted by the Participating TOs and non-incumbent developers.³⁰ For these reasons, the Commission should find the CAISO’s proposed Order No. 1920 Long-Term Regional Transmission Planning process is consistent with Order No. 890 and Order No. 1000 planning principle for openness.

²³ Order No. 890 at P 460.

²⁴ *Id.* at P 602.

²⁵ *Id.* at P 262.

²⁶ *Id.*

²⁷ Order No. 1000, *supra* note 1, at P 15.

²⁸ *See generally*, existing CAISO tariff sections 24.3 and 24.4.

²⁹ *Id.* at section 24.4.9.

³⁰ Proposed CAISO tariff sections 24.11.1.3 and 24.11.3.1.

(3) Transparency

In Order No. 890, the Commission stated that transmission planning procedures must ensure transparency by requiring public utility transmission providers to disclose “the basic criteria, assumptions, data, and methodologies used to develop transmission plans.”³¹ Transmission planning procedures must include “[a] written description of the methodology, criteria, and processes used to develop transmission plans” and “[t]he method of disclosure of transmission plans and related studies and the criteria, assumptions and data underlying those plans and studies.”³² The principle of transparency focuses on enabling stakeholders to understand and evaluate the basis for planning decisions. Order No. 1000 reinforced this principle by requiring that stakeholders have access to the underlying models and data used in regional planning processes, in addition to sufficient explanation of how and why particular transmission projects are selected.

The CAISO’s current comprehensive transmission planning process satisfies the transparency principle as articulated by Order No. 890 and Order No. 1000. The CAISO’s regional transmission planning process provides for public disclosure of planning assumptions, market inputs, and results. During each phase of the CAISO’s regional transmission planning process, stakeholders are able to provide input, review the input of others, and review and comment on drafts of documents. The CAISO uses information provided by stakeholders to develop the unified planning assumptions and study plan and makes this information available. The CAISO provides notice of all significant milestones and posts the draft transmission plan on its website. Generally, stakeholders may review confidential information by executing a non-disclosure statement, as described in CAISO tariff section 20.4 and its Business Practice Manual for the Transmission Planning Process. The CAISO also makes preliminary study results and the draft transmission plan available to stakeholders for comment and will discuss these materials at a stakeholder meeting. During this process, stakeholders may recommend alternatives to the projects that the CAISO proposes to approve. Pursuant to Order No. 1920, the CAISO will continue to adhere to an open and transparent process for developing inputs into its comprehensive transmission plan and Long-Term Scenarios.³³ This process will include consultation with stakeholders, states, and federally recognized Tribes. The CAISO will hold specific, sequenced meetings to discuss assumptions, use of factors, and results. For these reasons, the Commission should find the CAISO continues to comply with the Order No. 890 and Order No. 1000 planning principle for transparency.

³¹ Order No. 890 at P 263.

³² *Id.*

³³ See *generally*, proposed CAISO tariff sections 24.2, 24.3, 24.4, and 24.11.

(4) Information Exchange

In Order No. 890, the Commission stated that the transmission planning procedures must include “[t]he obligations of and methods for customers to submit data to the transmission provider.”³⁴ The opportunities for transmission customers to submit data to the CAISO’s regional transmission planning process are numerous as detailed in section 24 of the CAISO’s tariff. In addition, project sponsors must submit certain information when proposing a project for CAISO approval as well as satisfy the submission requirements for projects subject to competitive solicitations.³⁵ Participating TOs must also perform studies and provide the CAISO with information for reliability driven projects³⁶ and projects to maintain the feasibility of allocated congestion revenue rights.³⁷ These information exchange provisions will continue to apply in the CAISO regional transmission planning process. Pursuant to Order No. 1920, and as described above, the CAISO also proposes to specify data submission processes for developing Long-Term Scenarios.³⁸ As such, the Commission should find CAISO continues to comply with Order No. 890’s planning principle for information exchange.

(5) Comparability

Order No. 890 established the principle that a transmission provider’s planning procedures must treat customers on a comparable basis.³⁹ In Order No. 890-A, the Commission clarified that, as part of its planning process, each transmission provider is required to identify how it will treat resources on a comparable basis.⁴⁰ Pursuant to the CAISO’s transmission service model, transmission customers do not make specific transmission service requests and there are no reservations of capacity. All customers take service on a daily basis, and the CAISO operates its system and markets, dispatching resources in the most efficient manner to serve them. The CAISO transmission tariff does not distinguish between types of customers (*e.g.*, point-to-point, network, firm, non-firm); everyone receives the same daily service. The CAISO’s regional transmission planning process and its proposed Long-Term Regional Transmission Planning process also does not draw this distinction. The CAISO’s transmission planning processes, with the revisions proposed in this filing, will continue to provide all market participants with opportunities, obligations, and responsibilities and

³⁴ Order No. 890 at P 602.

³⁵ Existing CAISO tariff section 24.5.1.

³⁶ *Id.* at 24.4.6.

³⁷ *Id.* at 24.4.6.4.

³⁸ Proposed CAISO tariff sections 24.11.1.

³⁹ Order No. 890 at P 494.

⁴⁰ Order No. 890-A at P 216.

strikes a balance among these interests. The CAISO's transmission planning processes also will continue to consider demand resources, generation and other non-transmission resources as alternatives to transmission solutions, where appropriate.

(6) Dispute Resolution

Order No. 890 states that the transmission planning procedures must include a dispute resolution procedure.⁴¹ Section 13 of the CAISO's tariff provides a dispute resolution process applicable to all disputes under the CAISO tariff except where the decision of the CAISO is stated in the tariff to be final. This tariff section applies to disputes arising from the transmission planning process. Consistent with this existing dispute resolution process, a party with concerns about the CAISO's administration of its transmission planning provisions may either pursue dispute resolution under the CAISO tariff or file a complaint directly with the Commission if it believes the CAISO has violated its tariff requirements. Section 13 of the CAISO tariff provides for a sequential process of good faith negotiation, mediation, and arbitration. Following a failure of good faith negotiation, a party makes a statement of claim. The CAISO posts a summary of each statement of claim on the CAISO website. If the matter goes to arbitration, the CAISO also posts a summary of the decision on the CAISO website.⁴² This process can accommodate resolution for either substantive or procedural disputes. The CAISO proposes to continue to utilize this process, in connection with its Long-Term Regional Transmission Planning process, including for any disputes regarding data inputs for Long-Term Scenarios. The Commission should find the CAISO's proposed Order No. 1920 Long-Term Regional Transmission Planning process is consistent with Order No. 890 planning principle for dispute resolution.

III. Compliance with Order No. 1920

Order No. 1920 requires each transmission provider to participate in Long-Term Regional Transmission Planning⁴³ and to (1) develop and use Long-Term Scenarios as part of that Long-Term Regional Transmission Planning and (2) use those Long-Term Scenarios to identify and evaluate Long-Term Regional Transmission Facilities needed to meet Long-Term Regional Transmission Needs.⁴⁴ This filing provides and explains the

⁴¹ Order 890 at P 501.

⁴² The CAISO recognizes that Commission rules require that "[a]ll interested parties must expressly consent before arbitration may be used." Rule 605(a)(5) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.605(a)(5) (2008). As a result, a dispute resolved through arbitration that impacts the transmission planning process may require an additional finding by the Commission that any outcome of such an attribution is just and reasonable under the Federal Power Act.

⁴³ Order No. 1920 at P 224.

⁴⁴ *Id.* at P 298.

CAISO's proposed tariff amendments to comply with each directive contained in Order No. 1920. The CAISO attaches a compliance chart as Attachment C to this filing, which identifies the compliance requirements from Order No. 1920, and references the proposed CAISO tariff language to address those requirements.

The CAISO first describes in section III.A, below, proposed timeline revisions to the CAISO's existing Order No. 1000 comprehensive transmission planning process to create a workable framework to align with the new Long-Term Regional Transmission Planning directives in Order No. 1920. These proposed changes do not revise any of the substantive planning processes within the CAISO's existing Order No. 1000 framework. Instead, they merely modify the timing of planning processes to ensure consistency with the planning cycles and a workable timeframe for the issuance of multiple transmission plans. These changes will also support compliance with various reliability standards.

In sections III.B through H below, the CAISO addresses each specific compliance requirement from Order No. 1920. To comply with the overall requirement to establish a Long-Term Regional Transmission Planning process, the CAISO proposes to add a new section 24.11 (currently [Not Used]) to the existing CAISO tariff section 24. This new section 24.11 contains the CAISO's proposed tariff to comply with all requirements of Order Nos. 1920, 1920-A, and 1920-B as they pertain to Long-Term Regional Transmission Planning. In these sections of the transmittal letter, the CAISO also describes the additional proposed tariff revisions to address requirements of Order Nos. 1920, 1920-A, and 1920-B as they pertain to directives outside of the Long-Term Regional Transmission Planning, such as modifications to incorporate interconnection-related transmission facilities and the analysis of alternate transmission technologies.

Finally, in section III.I below, the CAISO describes the proposed tariff revisions to address the interregional components of Order No. 1920. As noted above in Section II.B, the CAISO received a separate extension of the filing date for the interregional components. However, because the CAISO has finalized its proposed tariff and worked with stakeholders and the other Western planning regions on this language, the CAISO is filing this element of Order No. 1920 compliance now in this filing. The CAISO requests that this section be treated as severable from the rest of the compliance filing.

The CAISO's compliance proposal contains no deviations from the Long-Term Regional Transmission Planning framework contemplated by Order No. 1920. For the CAISO's proposals where the Commission provided flexibility or discretion to transmission providers, the CAISO proposes specific tariff provisions meeting the intent and direction of Order No. 1920. As explained herein, the CAISO's proposed Long-Term Regional Transmission Planning framework complies with existing Order Nos. 890 and 1000 transmission planning principles of (1) coordination, (2) openness, (3) transparency, (4)

information exchange, (5) comparability, and (6) dispute resolution, as required by Order No. 1920.⁴⁵

A. Adjustments to Transmission Planning Cycles to Accommodate Long-Term Transmission Planning

Currently, the CAISO conducts an annual comprehensive transmission planning process to assess transmission needs, including reliability, economic, and public policy, in its planning region. Although this is an “annual” planning process producing a comprehensive transmission plan each year, the process actually occurs over an overlapping 15-month timeframe, starting with the development of a study plan and planning inputs in January of year 1 and culminating with the CAISO Board’s approval of the annual transmission plan and needed transmission projects in year 2. The overlay of Order No. 1920 Long-Term Regional Transmission Planning requirements, coupled with the timing of comprehensive transmission planning processes that already overlapped, creates in the CAISO’s view a need to reassess the sequence of the CAISO’s existing processes to determine a more efficient and effective approach while still addressing all transmission needs.

Consistent with the flexibility accorded by Order No. 1920, the CAISO proposes to maintain its existing comprehensive transmission planning process that to assess reliability, economic, and public policy needs. Order No. 1920 allows transmission providers to continue using some or all aspects of their existing regional transmission planning to consider transmission needs driven by public policy requirements.⁴⁶ Order No. 1920 also allows transmission providers to propose a regional transmission planning process that simultaneously plans for shorter-term reliability and economic transmission needs, as well as Long-Term Regional Transmission Needs, through a combined process.⁴⁷

The overlay of Order No. 1920 creates certain challenges with aligning inputs and procedures between the CAISO’s existing 15-month comprehensive transmission planning process and a new Long-Term Regional Transmission Planning process. For example, collecting input and managing the Assumptions Meeting, the Needs Meeting, and the Solutions Meeting for Long-Term Regional Transmission Planning and at the same time starting a new 15-month comprehensive transmission planning process and completing a prior 15-month transmission planning process would be difficult, if not impossible, to coordinate. This would also create undue burdens on stakeholders, including state agencies and local regulatory authorities that provide critical inputs to the planning process. The CAISO proposes to remedy this concern by implementing a 24-month regional transmission planning cycle rather than the existing 15-month comprehensive planning

⁴⁵ Order No. 1920 at P 224.

⁴⁶ *Id.* at PP 243-244.

⁴⁷ *Id.*

process cycle, which will enable Long-Term Regional Transmission Planning to coincide with more traditional regional planning in year 4 and allow transmission approvals to be better coordinated. This will better align and synchronize the CAISO's existing comprehensive transmission planning process with the new Long-Term Regional Planning process.⁴⁸ It will also promote a more efficient use of the CAISO's time and resources, as well as the time and resources of all CAISO stakeholders.

The CAISO's proposed adjustments to the sequence of its comprehensive transmission planning process and consideration of public policy needs through Long-Term Regional Transmission Planning process creates a superior structure beyond the minimum requirements of Order No. 1920. The CAISO will continue to identify public policy needs and projects more rapidly over a 10-15 year horizon as well as in a 20 year forward horizon every four years. Retaining the existing process for assessing and approving public policy projects will not interfere with or undermine the Long-Term Regional Transmission Planning process set forth in Order No. 1920.⁴⁹ It does not replace such process; it is supplemental and will allow for the approval of public policy projects on both a shorter-term and longer-term planning horizon, better enabling the CAISO to meet identified public policy needs on a comprehensive and timely basis and address residual needs. Further, because the allocation of costs is the same for projects approved in the Long-Term Regional Transmission Planning Process as for projects approved under the existing comprehensive transmission planning process, retaining the existing approval process for public policy projects will not result in any type of incongruence, inconsistency, or inappropriate incentive to approve projects in one process instead of the other.

Completing a comprehensive transmission planning process using a 10-15 year forward horizon every two years will allow the CAISO to address transmission needs on a timely basis. As explained, the CAISO plans for local and regional projects, at all voltage levels under its operational control. Additionally, the CAISO coordinates its planning process with its interconnection process to identify upgrades and additions to support deliverability in its transmission plan. Accordingly, a comprehensive two-year process will permit the CAISO to approve smaller policy-driven projects that may be driven by more recent changes that have not surfaced through the most recent Long-Term Regional Transmission Planning process.

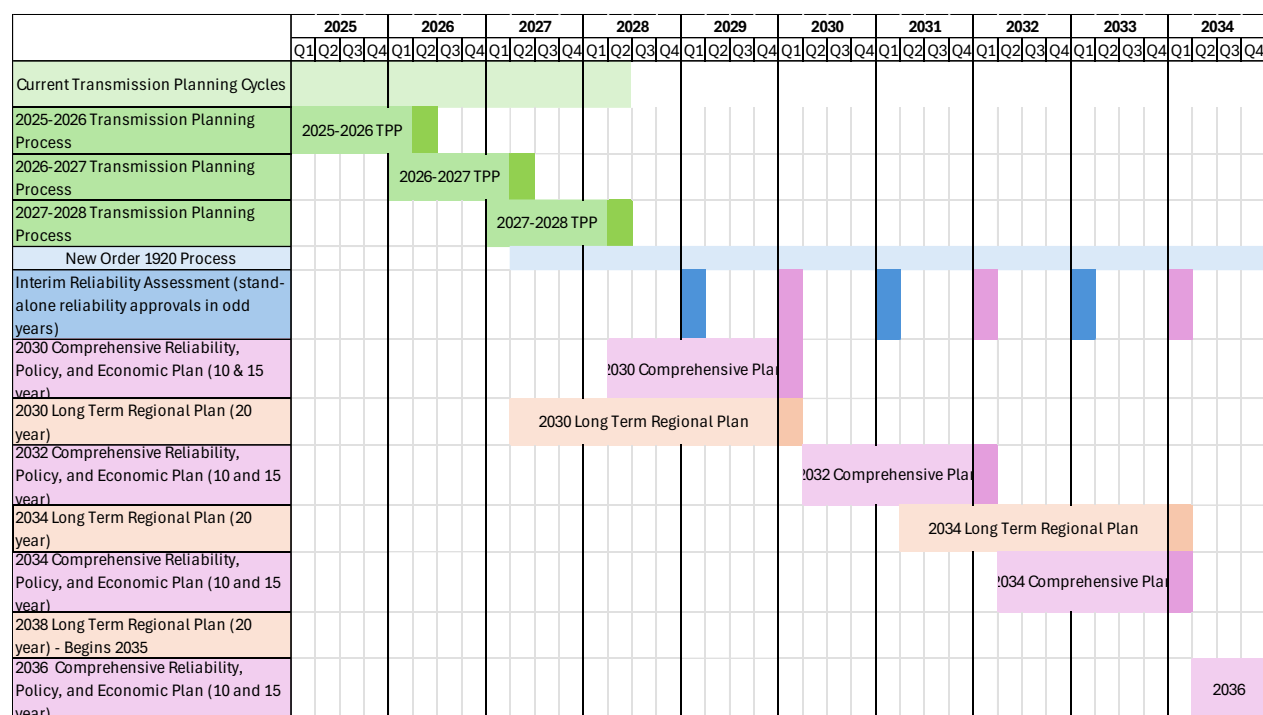
Figure 1 reflects the CAISO's proposal to complete Long-Term Regional Transmission Planning every four years, its comprehensive transmission planning process every two years, and a reliability assessment update every other year. This will ensure timely approval of needed reliability-driven transmission projects as well as support

⁴⁸ Order No. 1920 recognizes that shorter-term and long-term planning processes can be combined. Order No. 1920 at P 244. Additionally, Order No. 1920 provides that transmission providers may propose to continue using some or all aspects of the existing regional transmission planning and cost allocation processes that they use to consider transmission needs driven by Public Policy Requirements. *Id.* at P 243.

⁴⁹ Order No. 1920 at P 243.

deliverability for interconnection projects and resource adequacy studies.⁵⁰ The changes permit the CAISO to meet the frequency requirements of Long-Term Regional Transmission Planning under Order No. 1920,⁵¹ and eliminate what would otherwise be overlapping 15-month planning cycles in its comprehensive transmission planning process.

Figure 1: Quarterly detail of overlapping transmission planning cycles. Darker bars indicate quarter in which final plan is issued and presented to CAISO Board of Governors for approval.



In reality, the new proposed cycles, although described as a shift from annual to biennial in the CAISO tariff,⁵² only extends the existing comprehensive transmission planning process by two quarters, or six months, to align the two planning cycles. Apart from the extended timelines or resequencing, there are no process or requirement changes to the CAISO's FERC-approved Order No. 1000 processes. Aligning processes and technical assessments across the comprehensive transmission planning process and the

⁵⁰ Proposed tariff sections 24.1, 24.3.3.1, 24.4.10.

⁵¹ Order No. 1920 at P 377.

⁵² The CAISO proposes to replace references to "annual" in the tariff with "biennial." See proposed sections 24.2, 24.3; 24.3.1(c); 24.3.1(e), 24.4.1(c), 24.8.5 of the CAISO tariff. The CAISO also proposes changes to the following existing definitions in Appendix A to remove references to the annual cycle: Study Plan, Transmission Plan, Unified Planning Assumptions.

Long-Term Regional Transmission Planning process enables the consistent incorporation of best available data inputs regarding the future electric power system over different transmission planning horizons. This approach also facilitates an integrated, more effective, and efficient stakeholder engagement process; leverages existing planning processes through efficient resource utilization; and coordinates outcomes and approvals to identify transmission needs across the various study horizons and identify and evaluate transmission facilities to meet such transmission needs. This also ensures the most efficient and cost-effective transmission development, and just and reasonable Commission-jurisdictional rates. The CAISO believes resequencing of existing approved processes, without any other changes, in addition to enabling Long-Term Regional Transmission Planning in accordance with Commission directives, is the most deliberate, meaningful, efficient, and effective way to comply with the objectives and directives of the Commission in Order No. 1920. Hence, the proposed tariff changes include the resequencing of the existing annual comprehensive transmission planning process to the biennial process. As indicated by the green shading in Figure 1, the CAISO proposes to maintain the existing annual cycle until the completion of the 2027-2028 Transmission Planning Process. This approach will ensure that there is no gap between the CAISO's existing process and the new processes to begin in 2027, though this transition will result in a limited amount of overlapping work from Q2 2027 to Q2 2028. The CAISO addresses this overlap in its proposed tariff by specifically noting that the 2027-2028 Transmission Plan will be the last comprehensive transmission plan completed on an annual basis.⁵³

The CAISO's move from an annual to a biennial process may have minor impacts to the schedule of activities included in its Business Practice Manuals, but it does not impact deadlines and submission windows included in the tariff. For this reason, the CAISO is not proposing any schedule changes other than the time for the final issuance of the comprehensive transmission plan. Of course, the CAISO will need to comply with NERC Reliability Standards, Applicable Reliability Criteria, CAISO Planning Standards, other applicable planning standards and other criteria established by the Business Practice Manual that require annual evaluations. To address these requirements, the CAISO proposes a new tariff section, 24.3.3.1, Updating the Unified Planning Assumptions, to create an interim reliability assessment.⁵⁴ The CAISO will utilize the plan developed for the biennial comprehensive transmission plan and evaluate on an annual basis any reliability needs it must address on an expedited basis. The CAISO proposes engaging stakeholders in this evaluation by providing an opportunity to comment on and receive a response to any updates to the study plan. If the CAISO identifies transmission upgrades and/or additions, including any alternative transmission technologies and non-transmission alternatives

⁵³ Proposed tariff section 24.1.1.

⁵⁴ The interim reliability assessments, conducted as part of the biennial comprehensive regional transmission planning process, will ensure that in addition to meeting reliability standards, deliverability, and resource adequacy requirements, the CAISO is able to proactively move forward on specific transmission development that are required to address immediate reliability requirements without having to wait for the completion of the biennial transmission planning process.

thereto, needed to address reliability needs prior to the issuance of the next comprehensive transmission plan, the CAISO will present such upgrades and/or additions to the CAISO Board of Governors for approval.

The CAISO proposes these schedule changes to align the cycles of comprehensive and Long-Term Regional Transmission Plans to coordinate the approval transmission solutions. Doing so also supports available staff resources at the CAISO, stakeholders, states, and federally recognized Tribes. Order No. 1920 Long-Term Regional Transmission Plan represents a significant increase in work, use of analytical tools, and process development. This schedule will permit the CAISO and interested parties to develop implementation plans in 2026, phasing in increased budget and staff requirements in 2027 and beyond.

B. Reforms to Implement Development of Long-Term Scenarios

1. Planning Horizon

Order No. 1920 requires each transmission provider to use a 20-year planning horizon to develop Long-Term Scenarios to identify Long-Term Regional Transmission Needs that will materialize in the 20 years or more following the beginning of each such planning cycle,⁵⁵ and not tied to any specific in-service date of any identified transmission solution.⁵⁶ Transmission planners must evaluate potential solutions to needs identified as occurring within any period within the 20-year planning horizon.⁵⁷ The CAISO intends to comply with this requirement and has included language to that effect in proposed tariff section 24.11, which states the planning horizon for this new Long-Term Regional Transmission Planning process will be 20 years. As part of establishing the framework for this new Long-Term Regional Transmission Planning process, the CAISO proposes to add several new definitions to Appendix A of the CAISO Tariff, derived from definitions included in Order No. 1920: Long-Term Regional Transmission Planning, Long-Term Regional Transmission Need(s), Long-Term Scenarios, Long-Term Regional Transmission Facility, and Long-Term Regional Transmission Plan.⁵⁸ The CAISO also proposes to revise the existing definition of Regional Transmission Planning in Appendix A to exclude a Long-Term Regional Transmission Facility in order to clarify those projects approved pursuant to

⁵⁵ Order No. 1920 at P 344.

⁵⁶ *Id.* at P 347.

⁵⁷ *Id.* at P 346.

⁵⁸ See Order No. 1920 at PP 38-41, 299, 302.

this new process are separate from those approved in the CAISO's comprehensive transmission planning process, which looks out over a ten to fifteen year horizon.

2. Frequency of Long-Term Scenario Revisions

Order No. 1920 requires each transmission provider to revise and reassess the Long-Term Scenarios used in the long-term planning cycle at least once every five years,⁵⁹ but with the option to conduct planning more frequently.⁶⁰ Transmission providers must reassess whether the data inputs and factors need to be updated and revise scenarios accordingly.⁶¹ Although Order No. 1920 allows for five years between the commencement of each planning cycle, transmission providers must make a determination as to whether to select any facilities no later than three years from the date on which the cycle began.⁶² Finally, transmission providers must designate a point in the evaluation process in which they will decide to select or not select the relevant facilities as well as the point in time that concludes the planning cycle.⁶³

The CAISO proposes to comply with these directives by creating a four year cycle in which the CAISO will commence a new long-term planning cycle, with planning work taking place within the three years after the commencement of the cycle.⁶⁴ At the beginning of each long-term planning cycle, except for the first cycle in which data inputs and assumptions will be first developed, the CAISO proposes to review and reassess previously used data inputs and assumptions, relying on the stakeholder process described herein to update the Long-Term Scenarios as necessary.⁶⁵ Within the three years following commencement of the study cycle and after the CAISO posts preliminary assessment results, the CAISO will make a determination as to whether to select or not select any facilities.⁶⁶ This timing allows for the CAISO to receive stakeholder feedback on the various elements, including assessment results, before making any determinations. The determination would then be formally approved by the CAISO Board of Governors in the fourth year.

⁵⁹ Order No. 1920 at P 377.

⁶⁰ *Id.* at P 384.

⁶¹ *Id.* at P 643.

⁶² *Id.* at P 379.

⁶³ *Id.* at P 381.

⁶⁴ Proposed tariff section 24.11.

⁶⁵ *Id.* at 24.11.1.

⁶⁶ *Id.* at 24.11.4.

3. Categories of Factors

a. Factors and Accounting for Factors

Order No. 1920 requires each transmission provider to incorporate seven categories of factors to consider when determining the assumptions that will be used in the development of the Long-Term Scenarios.⁶⁷ These factor categories are: (1) federal, federally recognized Tribal, state, and local laws and regulations affecting the resource mix and demand;⁶⁸ (2) federal, federally recognized Tribal, state, and local laws and regulations on decarbonization and electrification;⁶⁹ (3) state-approved integrated resource plans and expected supply obligations for load-serving entities;⁷⁰ (4) trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies;⁷¹ (5) resource retirements;⁷² (6) generator interconnection requests and withdrawals; and (7) utility commitments and federal, federally recognized Tribal, state, and local policy goals that affect Long-Term Regional Transmission Needs.⁷³ Transmission providers need only account for the factors that they have determined are likely to affect Long-Term Regional Transmission Needs and must make a determination as to how that factor is likely to affect Long-Term Regional Transmission Needs.⁷⁴

Order No. 1920 also provides specific directives related to the use of factors in developing the Long-Term Scenarios. Where factors may have overlapping effects on the planning assumptions, transmission providers must avoid double counting the effect that those factors have on assumptions used.⁷⁵ More specifically, where there is an overlap between the first three categories of factors and the second four categories, that factor must be included in the first three categories.⁷⁶ For the first three categories of factors, Order No. 1920 requires transmission providers to assume that legally binding obligations

⁶⁷ Order No. 1920 at P 409.

⁶⁸ *Id.* at P 432.

⁶⁹ *Id.* at P 440.

⁷⁰ *Id.* at P 447.

⁷¹ *Id.* at P 456

⁷² *Id.* at P 463; this category must account for likely resources beyond those that have been publicly announced, *see id.* at PP 464-466.

⁷³ *Id.* at P 481; *see also* Order No. 1920-A at 934, removing corporate commitments from this factor category.

⁷⁴ Order No. 1920 at P 415.

⁷⁵ Order No. 1920-A at P 273.

⁷⁶ *Id.*

are followed, state-approved integrated resource plans are followed, and expected supply obligations for load-serving entities are fully met, thereby requiring transmission providers to account for and be consistent with, and not discount, factors in the first three categories.⁷⁷ Where a transmission provider determines that a factor based on state's law, regulation, or policy, is likely to affect needs, the transmission provider should rely on the state in determining how to account for such a state-related factor.⁷⁸ For the last four categories of factors, transmission providers have discretion in how to account for each and may put more weight on the factor by modeling more than the projected change in some or all Long-Term Scenarios to reflect the likelihood that the anticipated effects on Long-Term Regional Transmission Needs due to that factor will occur.⁷⁹

Consistent with Order No. 1920,⁸⁰ the CAISO proposes to include these categories of factors in its tariff, specifying them as categories of factors (a)-(g) to conform to the CAISO's existing tariff outline structure.⁸¹ The CAISO further proposes tariff Section 24.11.1.2 Accounting for Factors to describe the CAISO's compliance with the Order No. 1920 directives related to use of the factors. Importantly, the CAISO will identify and use factors reflecting federally-recognized Tribal, state, and local laws and regulations affecting the resource mix and demand, as well as decarbonization and electrification, as those laws and regulations potentially could affect Long-Term Regional Transmission Needs.⁸² This tariff section includes language explaining how the CAISO will defer to states when determining how to account for factors based on state law, regulation, or policy. The CAISO will assume that these binding obligations will be followed and met. The tariff also describes how the CAISO will avoid double counting factors in cases where factors may have overlapping effects on the planning assumptions used to develop Long-Term Scenarios. Where there is overlap between categories (a)-(c) and (d)-(g), or a factor could be considered in a category in the first three or the second four, the CAISO will consider the factor in the appropriate category (a)-(c). This proposed tariff section also includes language to allow the CAISO to put more weight on factors (d)-(g) based on the likelihood that the anticipated effects on Long-Term Regional Transmission Needs arising from that factor will occur. The CAISO's stakeholder process will inform how the CAISO weights these factors as part of its modeling of Long-Term Regional Transmission Needs.

⁷⁷ Order No. 1920 at P 570.

⁷⁸ Order No. 1920-A at P 345.

⁷⁹ Order No. 1920 at P 516.

⁸⁰ *Id.* at P 411. The Commission declined to allow transmission providers to exclude any proposed categories of factors.

⁸¹ Proposed CAISO tariff section 24.11.1.

⁸² Proposed CAISO tariff sections 24.11.1.1 and 24.11.1.2

b. Stakeholder Process and Posting of Factors

Order No. 1920 requires transmission providers to give stakeholders a meaningful opportunity to propose factors, provide information and identify sources of best available data, propose how a factor may affect Long-Term Regional Transmission Needs and explain how factor could be reflected, including the extent to which it is appropriate to discount the effects of certain factors.⁸³ Transmission providers are additionally required to publish on the public portion of website: (1) a list of factors in each of categories they will account for; (2) a description of each factor they will account of; (3) a general statement explaining how they will account for each of those factors; (4) a description of the extent to which they will discount any factors in factor categories four through seven; and (5) a list of factors they considered but did not incorporate.⁸⁴

The CAISO proposes new tariff section 24.11.1.3, Stakeholder Input – Factors to be Used in Long-Term Scenarios, to describe the process in which the CAISO will provide stakeholders the opportunity to participate in scenario development. This proposed process draws from the existing tariff section 24.3.3, which describes the stakeholder process related to unified planning assumptions and the study plan in the CAISO's comprehensive transmission planning process to create a parallel timeline and process for developing and using factors in the Long-Term Regional Transmission Planning process. This parallel approach will provide consistency for stakeholders because it reflects an existing stakeholder process with known events and timelines for the development of a similar set of inputs in the comprehensive transmission planning process.

The CAISO's proposed process begins with a comment period during which stakeholders may propose factors, provide information and identify sources of best available data, propose the effects of any such factors, explain how a factor can be included in the Long-Term Scenarios, and comment on probable future outcomes. The CAISO proposes to open this initial comment window for a minimum of four months. Providing this window of time will allow stakeholders to gather and submit input. The proposed flexibility for opening the window will allow the CAISO to coordinate with administrative processes of state agencies to ensure that inputs such as integrated resource portfolios are available. After this four-month comment period and the CAISO's review of relevant information, the CAISO will post to its website a draft of factors to use in the development of the Long-Term Scenarios and a description of how the CAISO will use those factors. The CAISO will issue a market notice noticing the availability of the draft, soliciting comments, and scheduling a public conference no less than one (1) week after the posting. Stakeholders will then be given a minimum of two (2) weeks following that public meeting to submit additional comments on the draft factors. These timelines are consistent with the timelines utilized by the CAISO for the stakeholder process involved in

⁸³ Order No. 1920 at P 529.

⁸⁴ *Id.* at P 528.

determining the unified planning assumptions and study plan for the comprehensive transmission planning process. For transparency, the CAISO will post all comments on its website.

The CAISO also proposes a new tariff section 24.11.1.4, Posting of Factors, which requires the CAISO to post the five elements related to the categories of factors on its website. As described above, these elements include (1) the list of factors in each of the seven required categories the CAISO will account for in each of its Long-Term Scenarios; (2) a description of each factor for which the CAISO will account in the Long-Term Scenarios; (3) a general statement explaining how the CAISO will account for each of those factors; (4) a description of the extent to which the CAISO will discount any factors in factor categories (d)-(g) in any of the Long-Term Scenarios; and (5) a list of factors the CAISO considered but did not incorporate. The CAISO proposes that posting of final factors take place following the closure of the comment period on the draft factors but consistent with a schedule set forth in the Business Practice Manuals. This approach will provide the CAISO with flexibility to account for the volume or complexity of any comments without a strict deadline that may otherwise hinder the CAISO's ability to appropriately consider stakeholder comments.

Order No. 1920, does not obligate the CAISO to independently identify all of the factors in the first three categories, but may rely on open and transparent stakeholder process to identify factors.⁸⁵ The CAISO anticipates working with stakeholders, state agencies, and federally-recognized Tribes throughout 2026 to determine best practices for incorporating their input and to prepare stakeholders for the implementation of the first Long-Term Transmission Planning cycle in 2027.

4. Number and Development of Long-Term Scenarios

Order No. 1920 requires each transmission provider to develop three distinct Long-Term Scenarios that, at a minimum, incorporate the seven categories of factors described above.⁸⁶ Transmission providers must publicly disclose, subject to any applicable confidentiality protections, the information and data inputs used to create each Long-Term Scenario.⁸⁷ These scenarios should be developed using coordination requirements that allow for stakeholder input, including customers of transmission providers.⁸⁸ Stakeholders must be given the opportunity to propose which future outcomes are probable and can be

⁸⁵ Order No. 1920 at P 508.

⁸⁶ *Id.* at P 559.

⁸⁷ Order No. 1920 at P 560.

⁸⁸ *Id.*

captured through assumptions, including the opportunity to propose new future outcomes that are probable.⁸⁹

The CAISO proposes to comply with these directives by stating in its tariff that it will identify three Long-Term Scenarios.⁹⁰ Compliance requirements related to stakeholder input and the opportunity to provide proposals on future outcomes are included in the CAISO's proposed tariff language regarding the stakeholder process for the development of the scenarios⁹¹ described in more detail in Section III.B.3.b, above. Similarly, in Section III.B.3.b above, the CAISO describes the proposed tariff language for posting of factors, including the information and data inputs used to create each Long-Term Scenario.⁹² The CAISO, operating in California, a state that has required integrated resource planning, intends to work with the state agencies to include the state's preferred power system trajectories in each Long-Term Scenario, or may include different state-preferred power system trajectories in different Long-Term Scenarios, based on input from relevant state agencies in each Long-Term Regional Transmission Planning cycle.⁹³ The CAISO intends to utilize a base case consistent with the base case developed for the comprehensive transmission planning process as one of the Long-Term Scenarios, which the CAISO determines is the most likely scenario to occur.⁹⁴

5. Types of Long-Term Scenarios

Order No. 1920 requires each transmission provider to ensure that the set of Long-Term Scenarios is (1) plausible, meaning each scenario individually and the set must reasonably capture probably future outcomes; and (2) diverse, meaning the transmission provider can distinguish distinct transmission facilities or distinct benefits of similar transmission facilities in each scenario.⁹⁵ The CAISO proposes to comply with this directive by incorporating specific language to this effect in proposed tariff section 24.11.1

⁸⁹ Order No. 1920 at P 560.

⁹⁰ Proposed tariff section 24.11.1.

⁹¹ *Id.* at 24.11.1.3.

⁹² *Id.* at 24.11.1.4.

⁹³ Order No. 1920-A at P 275 clarifies that for a state that has required integrated resource planning processes, transmission providers should include one of the state's preferred power system trajectories, including both supply and demand side resource trajectory as appropriate, in each Long-Term Scenario, or include different state-preferred power system trajectories in different Long-Term Scenarios.

⁹⁴ Proposed tariff section 24.11(a); see Order No. 1920 at P 559, requiring that if a transmission provider utilizes a base-case Long-Term Scenario in the Long-Term Regional Transmission Planning process that base case should be consistent with what the transmission provider determines is the most likely scenario to occur.

⁹⁵ Order No. 1920 at P 575.

to ensure CAISO develops scenarios that are both plausible and diverse, as described by Order No. 1920.

6. Sensitivities for High-Impact, Low-Frequency Events

Order No. 1920 requires each transmission provider to develop at least one sensitivity, applied to each Long-Term Scenario, to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area.⁹⁶ Order No. 1920 gives transmission providers flexibility to conduct this sensitivity either before or after identifying potential regional transmission solutions,⁹⁷ and may include more sensitivities if desired.⁹⁸

The CAISO proposes to comply with this directive by including proposed tariff language that (1) requires the CAISO to perform the specified sensitivity, and (2) includes a provision to allow the CAISO to additionally perform other sensitivities as may be appropriate for that planning cycle.⁹⁹ The CAISO anticipates performing the sensitivity simultaneously with its assessments in order to develop the most efficient and effective potential transmission solutions. Integrating the sensitivity or sensitivities into the assessments as they are run allows the CAISO to run the assessments for results utilizing potential extreme weather events, rather than apply a sensitivity after the assessments are complete. This modeling approach will create more accurate sensitivity results as they are not impacted by the outcomes of the assessments conducted without them.

7. Specificity of Data Inputs

Order No. 1920 requires each transmission provider to use “best available data inputs” when developing Long-Term Scenarios,¹⁰⁰ and specifically when determining whether a factor is likely to affect long-term transmission needs and accounting for that factor in the scenarios.¹⁰¹ Adhering to these directives will require that data inputs are timely, developed using best practices and diverse and expert perspectives, and adopted via a process that satisfies the transmission planning principles of Order Nos. 890 and

⁹⁶ Order No. 1920 at P 593.

⁹⁷ *Id.* at P 594.

⁹⁸ *Id.* at P 597.

⁹⁹ Proposed Tariff Section 24.11.1.6.

¹⁰⁰ Order No. 1920 at P 633.

¹⁰¹ *Id.* at PP 634, 635.

1000. The CAISO proposes to comply with this directive by including tariff language in proposed tariff section 24.11.1.5 that describes the use of best available data and incorporates consultation with stakeholders. Proposed tariff section 24.11.1.5 provides that the CAISO will adopt these data inputs in consultation with stakeholders under the processes set forth tariff section 24.11.1.3. That allows for stakeholder input, publications of draft inputs, public comment and discussion, and posting of final data inputs, thereby meeting the planning principles of Order No. 890 and Order No. 1000 (e.g., coordination, openness, transparency, information exchange). As applicable to the CAISO's tariff as a whole, the CAISO's dispute resolution process contained in existing tariff section 13 provides a means for stakeholders to challenge data inputs. The CAISO will review and update as necessary data inputs at the outset of each planning cycle.

C. Reforms to Implement Benefits of Regional Transmission Facilities

Order No. 1920 requires transmission providers to measure and use a set of seven required benefits for Long-Term Regional Transmission Facilities under each of the Long-Term Scenarios and to use the measured benefits to evaluate any such facilities.¹⁰² Transmission providers must include a general description of how the transmission provider will measure each of the seven benefits included in the required set of benefits.¹⁰³ Transmission providers must calculate the benefits of Long-Term Regional Transmission Facilities over a time horizon that covers, at a minimum, 20 years starting from the estimated in-service date of the transmission facilities.¹⁰⁴ To the extent transmission providers estimate the costs of Long-Term Regional Transmission Facilities beyond the in-service date of the transmission facilities, they must estimate those future costs over the same time horizon as the estimated benefits.¹⁰⁵

The CAISO proposes to comply with these directives through the addition of proposed tariff section 24.11.2. In this tariff section, the CAISO outlines the seven benefits and the time horizon over which it will measure the benefits, utilizing language directly from Order No. 1920. The CAISO does not propose to utilize a portfolio approach when evaluating the benefits and therefore includes no provisions related to a portfolio approach in its proposed tariff. If in the future circumstances change, the CAISO will revise its tariff to do so.¹⁰⁶ The CAISO describes each benefit and the CAISO's general approach to measuring that benefit in the paragraphs below.

¹⁰² Order No. 1920 at P 719.

¹⁰³ *Id.* at P 837.

¹⁰⁴ *Id.* at P 859.

¹⁰⁵ *Id.*

¹⁰⁶ Order No. 1920 at P 889, allowing but not requiring transmission providers to use a portfolio approach when evaluating the benefits, but must include provisions in their OATTs regarding their use of the portfolio approach.

The CAISO emphasizes that it already considers most of Order No. 1920's reforms related to benefits in its comprehensive transmission planning process. The CAISO's transmission expansion assessment methodology (TEAM) framework¹⁰⁷ provides a standard for measuring transmission expansion benefits for consumers, producers, and transmission owners. Under the current planning processes and the TEAM framework, the benefits include:

- **Production benefits:** Benefits resulting from changes in net ratepayer payment based on production cost simulation because of the proposed transmission upgrade.
- **Capacity benefits:** Benefits resulting from increased import capability into the CAISO balancing authority area or into a local capacity requirement area. Decreased transmission losses and increased generator deliverability contribute to capacity benefits as well.
- **Public-policy benefits:** Reducing the cost of achieving State energy policy by facilitating the integration of lower cost renewable resources located in remote areas, or by avoiding over-building. Additionally, interregional transmission upgrades help mitigate resource integration challenges, such as over-supply and curtailment, by allowing sharing of energy and ancillary services among multiple balancing authority areas.
- **Avoided cost of other projects:** If a reliability or policy project can be avoided because of the economic project under study, then the avoided cost contributes to the benefit of the economic project.

The CAISO proposes to use this methodology to evaluate the benefits required by Order No. 1920 to maintain consistency with the evaluation the CAISO performs in its comprehensive transmission planning process. The CAISO describes each of the Order No. 1920 benefits below and explains how it will evaluate those benefits.

1. Benefit 1

Order No. 1920 requires transmission providers to use and measure avoided or deferred reliability transmission facilities and aging transmission infrastructure replacement.¹⁰⁸ The Order defines this benefit as reduced costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities. The CAISO proposes to comply with this directive by identifying this

¹⁰⁷ A copy of this methodology is available on the CAISO's website:

https://www.caiso.com/documents/transmissioneconomicassessmentmethodology-nov2_2017.pdf

¹⁰⁸ Order No. 1920 at P 745.

benefit and its specific definition in proposed tariff section 24.11.2(1). The CAISO proposes to measure this benefit as a reduction in investment costs due to avoided or deferred reliability transmission facilities and aging infrastructure.

2. Benefit 2

Order No. 1920 requires transmission providers to use and measure reduced loss of load probability or reduced planning reserve margin.¹⁰⁹ The Order defines this benefit as reduced frequency of loss of load events by providing additional pathways for connecting generation resources with load in regions that can be constrained by weather events and unplanned outages. Order No. 1920 notes that a transmission planner cannot measure both simultaneously. The CAISO proposes to comply with this directive by identifying this benefit and its specific definition in proposed tariff section 24.11.2(2). The CAISO will measure this benefit as either the reduction in frequency of loss of load events or the reduction in planning reserve margins while holding loss of load probabilities constant.

The CAISO notes there is considerable industry discussion about creating frameworks for these assessments, especially for regions that have not previously considered these benefits. In contrast, the CAISO has considered the role of transmission to access generation for resource adequacy purposes in the CAISO planning processes for many years. The CAISO intends, in these analyses, to continue its past practice, as well as consider the specific circumstances of the CAISO controlled grid and the requirements of California and the CAISO's resource adequacy program to measure the potential reduction in frequency of loss of load events or the reduction in planning reserve margins.

3. Benefit 3

Order No. 1920 requires transmission providers to use and measure production cost savings.¹¹⁰ The Order defines this benefit as the savings in fuel and other variable operating costs of power generation realized when transmission facilities allow for displacement of higher-cost supplies through the increased dispatch of supplies that have lower incremental costs of production, as well as a reduction in market prices as lower-cost suppliers set market clearing prices. The CAISO proposes to comply with the Order by identifying this benefit and its specific definition in proposed tariff section 24.11.2(3). The CAISO will measure this benefit as the reduction in production costs using production cost modeling simulations.

¹⁰⁹ Order No. 1920 at P 755.

¹¹⁰ *Id.* at P 767.

4. Benefit 4

Order No. 1920 requires transmission providers to use and measure reduced transmission energy losses.¹¹¹ The Order defines this benefit as the reduced total energy necessary to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to loads. The CAISO proposes to comply with the Order by identifying this benefit and its specific definition in proposed tariff section 24.11.2(4). The CAISO will measure this benefit as the reduction in the amount of total energy and transmission energy losses incurred in transmittal of power from generation to loads using production cost modeling simulations.

5. Benefit 5

Order No. 1920 requires transmission providers to use and measure reduced congestion due to transmission outages.¹¹² The Order defines this benefit as reduced production costs resulting from avoided congestion during transmission outages. The CAISO proposes to comply with the Order by identifying this benefit and its specific definition in proposed tariff section 24.11.2(5). The CAISO will measure this benefit as the reduction in congestion costs during transmission outages that significantly increase transmission congestion using production cost modeling simulations.

6. Benefit 6

Order No. 1920 requires transmission providers to use and measure mitigation of extreme weather events and unexpected system conditions.¹¹³ The Order defines this benefit as reduced production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased Interregional Transfer Capability, during extreme weather events and unexpected system conditions, such as unusual weather conditions or fuel shortages that result in multiple concurrent and sustained generation and/or transmission outages. Transmission providers must account for circumstances that are specific to their planning region.¹¹⁴ Moreover, the Order requires transmission providers to account for mitigation of unexpected system conditions during periods when transmission facilities have particularly high value, not only during extreme weather events.¹¹⁵ The CAISO proposes to comply with the Order by identifying this benefit and its specific definition in proposed tariff section 24.11.2(6). The CAISO will

¹¹¹ Order No. 1920 at P 781.

¹¹² *Id.* at P 788.

¹¹³ *Id.* at P 800.

¹¹⁴ *Id.* at P 804.

¹¹⁵ *Id.* at PP 800, 804.

measure this benefit as reduced production costs, reduced loss of load, and increased interregional transfer capability during extreme weather events and unexpected system conditions. The CAISO will work with stakeholders and transmission owners to determine extreme weather event scenarios and unexpected system conditions, and it will maintain a calculation of benefits that is consistent with the current CAISO's current benefits calculation framework.

7. Benefit 7

Order No. 1920 requires transmission providers to use and measure capacity cost benefits from reduced peak energy losses.¹¹⁶ The Order defines this benefit as reduced generation capacity investment needed to meet peak load. The CAISO proposes to comply with the Order by identifying this benefit and its specific definition in proposed tariff section 24.11.2(7). The CAISO will measure this benefit as reduction in generation capacity investment due to reduced energy losses during peak load.

D. Reforms to Implement Evaluation and Selection of Long-Term Regional Transmission Facilities

1. Requirement to Adopt an Evaluation Process and Selection Criteria

Order No. 1920 requires transmission providers to describe in their tariff an evaluation process, including selection criteria, they will use to identify and evaluate Long-Term Regional Transmission Facilities for potential selection.¹¹⁷ More specifically, the evaluation process must: (1) identify Long-Term Regional Transmission Facilities that address Long-Term Transmission Needs; (2) measure the benefits of the identified Long-Term Regional Transmission Facilities consistent with the final rule requirement; and (3) designate a point in the evaluation process at which transmission providers will determine whether to select or not select identified facilities for purposes of cost allocation.¹¹⁸ Additionally, Order No. 1920 requires transmission providers to allow any transmission developer selected, whether incumbent or nonincumbent, to be eligible to use the applicable cost allocation method for the Long-Term Regional Transmission Facilities.¹¹⁹

The CAISO proposes to comply with this directive with proposed new tariff section 24.11.3, which describes the CAISO's overall evaluation process of Long-Term Regional

¹¹⁶ Order No. 1920 at P 817.

¹¹⁷ *Id.* at P 911.

¹¹⁸ *Id.* at P 916.

¹¹⁹ *Id.* at P 912.

Transmission Facilities for potential selection. The CAISO also proposes to add new tariff section 24.11.4, which describes the conclusion of the planning cycle with the selection of any Long-Term Regional Transmission Facilities. The specifics of the CAISO's proposed process are described in Section III.D.3, *Minimum Requirements*.

2. Flexibility

Order No. 1920 requires that transmission providers propose, after consultation with Relevant State Entities and other stakeholders, evaluation processes, including selection criteria that they believe will ensure that more efficient or cost-effective facilities are selected.¹²⁰ As described in Section IV, the CAISO conducted a public stakeholder process to discuss proposed tariff changes and separately met with Relevant State Entities for feedback on its compliance with Order No. 1920. In response to stakeholder comments, the CAISO made one specific change to the selection criteria. This change addressed the criterion that requires a facility to have "multiple" benefits, in contrast to the CAISO's proposal that a facility demonstrate benefit in the "majority" of benefit categories.

3. Minimum Requirements

Order No. 1920 establishes minimum requirements for transmission providers' evaluation process and selection criteria. The proposed evaluation process must be transparent and not unduly discriminatory, and aim to ensure that more efficient or cost-effective Long-Term Regional Transmission Facilities are selected to address needs.¹²¹ Transmission providers must identify one or more facilities that address needs.¹²² The evaluation process must estimate the costs and measure the benefits of the facilities that are identified or proposed for potential selection, in addition to evaluating facilities using any qualitative or other quantitative selection criteria.¹²³

In terms of process, Order No. 1920 directs transmission providers to identify a point in the evaluation at which transmission providers will determine whether to select or not select identified facilities, with such point no later than three years following the beginning of the cycle. The process must culminate in determinations that are sufficiently detailed for stakeholders to understand why a facility was or was not selected.¹²⁴ Order No. 1920 also

¹²⁰ Order No. 1920 at P 924.

¹²¹ *Id.* at PP 954, 955.

¹²² *Id.* at P 955.

¹²³ *Id.* at P 955.

¹²⁴ *Id.* at PP 954, 955.

requires that transmission planners identify a point at which they will accept proposals from stakeholders or non-incumbent developers to propose transmission facilities.¹²⁵

The CAISO proposes an evaluation process and selection criteria that are transparent and ensure that more efficient or cost-effective facilities are selected through this process.¹²⁶ The CAISO's evaluation process mirrors its existing comprehensive transmission planning process. Before identifying specific facilities, the CAISO will perform a preliminary assessment of needs in accordance with a study plan developed with stakeholders. The CAISO proposes to add clarifying tariff language that the study plan for the Long-Term Regional Transmission Planning process will be based on the factors identified in the development of scenarios and that the study plan will additionally include the requirements for the study plan developed for the comprehensive transmission planning process. This includes a specific description of computer models, methodology, and other criteria used in each technical study, a list of the technical studies the CAISO will perform, and a proposed schedule for all stakeholder meetings.¹²⁷ The CAISO anticipates the factors considered in developing Long-Term Scenarios may change with each study cycle and, therefore, the specific technical assessments may change or evolve with each study cycle to determine the needs and eventual proposed solutions. Additionally, with the overlapping and coordinated cycles for the comprehensive transmission planning process and the Order No. 1920 Long-Term Regional Transmission Planning process, the CAISO anticipates the development of the study plan for each planning process may be done in coordination and result in a single study plan, meeting the requirements of both planning processes with a single document. However, recognizing that the factors and scenarios in the Long-Term Regional Transmission Planning process may vary from cycle to cycle, the CAISO's proposed tariff language allows for developing a study plan for the Long-Term Regional Transmission Planning Process separately from the comprehensive transmission planning process, if necessary.¹²⁸

The assessment of needs will provide details on the CAISO's preliminary study results from its reliability, policy, and economic technical studies along with potential mitigation solutions for review and consideration.¹²⁹ The identification of Long-Term

¹²⁵ Order No. 1920 at P 955.

¹²⁶ Proposed tariff section 24.11.3 and 24.11.4 describe the process for evaluation and selection of Long-Term Regional Transmission Facilities.

¹²⁷ Section 24.3.2 of the CAISO tariff.

¹²⁸ Proposed section 24.3.2, which already describes the required contents of the study plan for the comprehensive transmission planning process, includes new language to describe the use of the factors in the Long-Term Transmission Planning process if the CAISO pursues a combined study plan for both processes. Proposed section 24.11.1.4 describes that the study plan will meet the requirements of the existing tariff section 24.3.2 if the CAISO issues a separate one.

¹²⁹ The CAISO does not propose to establish reliability, economic, or public policy transmission facility types as part of the Long-Term Regional Transmission Planning process, as prohibited by Order No. 1920 at

Regional Transmission Needs will rely on economic and reliability drivers, as clarified in Order No. 1920-A,¹³⁰ and will seek to maximize benefits accounting for costs over time without over-building transmission facilities.¹³¹ Following the posting of this preliminary assessment, the CAISO proposes to open the submission window for stakeholders or nonincumbent developers to propose specific facilities.¹³² This aligns with the timing for transmission owners to work with the CAISO on opportunities to right-size transmission facilities. Accepting all proposals after needs are identified but before any specific facilities are evaluated, allows the CAISO to assess all potential facilities on the same timeline and in response to the same identified needs, ensuring the CAISO meets the Order's requirement that all potential facilities be evaluated in the same manner.

Once the CAISO has identified at least one facility to meet each identified need, the CAISO will use proposed selection criteria to determine whether or not to select any facilities.¹³³ The CAISO proposes two selection criteria, utilizing the benefits identified in Order No. 1920 that must be met for the CAISO to consider selecting a facility.¹³⁴ These criteria are: (1) the facility must have measurable benefits across multiple of the seven categories of benefits in at least one scenario; and (2) the facility must have a benefit cost ratio of 1.00 or higher in at least one scenario.¹³⁵

The CAISO initially proposed that the first selection criterion require a facility to have measurable benefits across "the majority" of the seven identified benefits. However, in working with stakeholders on this draft language, the CAISO recognized that there may be cases in which a transmission facility shows significant benefits in one category but may not reflect benefits across the majority of the categories. For this reason, the CAISO has revised its criterion to require benefits in at least "multiple" categories rather than the majority of categories. This approach will ensure that a facility satisfies more than one benefit category does not preclude selecting a project where one benefit may be particularly strong but the project does not yield benefits in the majority of benefit categories.

P 1474, but does intend to use the same studies the CAISO uses in its comprehensive transmission plan which use these drivers.

¹³⁰ Order No. 1920-A at P 223. The CAISO's proposed tariff section 24.11.1.4 identifies the use of the same framework for a study plan as used in the CAISO's comprehensive transmission planning process. This process relies on economic and reliability drivers and is captured in existing section 24.3.2 of the CAISO tariff.

¹³¹ Order No. 1920 at P 964.

¹³² Proposed tariff section 24.11.3.1

¹³³ *Id.* at 24.11.3.3.

¹³⁴ *Id.*

¹³⁵ Proposed tariff section 24.11.3.3. Order No. 1920 at P 958 notes that transmission planners may not impose a selection criterion that is a minimum benefit-cost ratio that is higher than 1.25 to 1.00.

The second criterion, that a facility must have a benefit cost ratio of 1.00 or higher, is consistent with the benefit cost ratio value the CAISO currently uses for evaluating economically driven transmission solutions under the CAISO's existing Order No. 1000 regional transmission planning process. Maintaining consistency across these processes enhances predictability and administrative efficiency for the CAISO and all stakeholders.

The CAISO's proposed process for Long-Term Regional Transmission Planning includes a selection date for facilities no later than three years following the beginning of the planning cycle, at which point the CAISO will post to its website the specific determination explaining why each identified facility was or was not selected.¹³⁶ This selection will take place only after the CAISO has considered proposals for transmission solutions submitted by stakeholders and any potential opportunities to right-size replacement transmission facilities. Simultaneous with this posting, the CAISO will issue a market notice to trigger the start of the voluntary funding opportunity open window. The CAISO proposes that the conclusion of that open window and, if applicable, the memorialization of any proposal for voluntary funding will formally conclude the Long-Term Regional Transmission Planning cycle.

The CAISO also proposes tariff language to confirm that projects selected in this process, but for right-sized replacement transmission facilities which will be subject to a federal right of first refusal, will be eligible for competitive solicitation.¹³⁷ The CAISO's existing tariff section 24.5 describes the Phase 3 process for competitive solicitation. To align this section with Order No. 1920, the CAISO proposes minor changes to this tariff section to include the Long-Term Regional Transmission Facilities in the existing process.¹³⁸

4. Role of Relevant State Entities

Order No. 1920 requires transmission providers to (1) consult with Relevant State Entities regarding the evaluation process, including selection criteria the transmission providers propose to use to identify and evaluate facilities for selection, and (2) describe on compliance a good faith effort to consult with and seek support from Relevant State Entities.¹³⁹ Separate from the engagement period for Relevant State Entities, the CAISO held regular meetings with California state agencies, including the California Energy Commission and California Public Utilities Commission, to describe and discuss

¹³⁶ Proposed tariff section 24.11.4.

¹³⁷ *Id.*

¹³⁸ Proposed tariff sections 24.2, 24.5.1, 24.5.2, 24.5.2.1, 24.5.2.2, 24.5.3.1, 24.5.3.2.

¹³⁹ Order No. 1920 at P 994.

compliance proposals. During these meetings, the CAISO presented the evaluation process and selection criteria included in this compliance filing. The CAISO offered Relevant State Entities the opportunity to pose questions and offer comments on the proposals. No entity raised concerns with the CAISO's proposals, and the CAISO worked with the agencies to answer questions about the compliance process. During this process, the CAISO emphasized it expects to continue to coordinate implementation of Order No. 1920 state agencies to ensure the CAISO is utilizing the best available data in its transmission planning process.

5. Voluntary Funding Opportunities

Order No. 1920 requires transmission providers to include a process to provide Relevant State Entities and interconnection customers with the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet the transmission providers' selection criteria.¹⁴⁰ More specifically, transmission providers must describe: (1) the process by which voluntary funding opportunities become available, which must include timely notice and provide a meaningful opportunity to pursue the funding opportunity; (2) the period during which the right may be exercised; (3) the method that transmission providers will use to determine the amount of voluntary funding required to ensure the facility meets the selection criteria; and (4) a mechanism through which transmission providers and Relevant State Entities or interconnection customers will memorialize any voluntary funding agreement.¹⁴¹ In developing this process, transmission providers must consult and seek support from Relevant State Entities.¹⁴²

The CAISO proposes to add a new section 24.11.5.1, Voluntary Funding Opportunity, to govern the process for Relevant State Entities or interconnection customers that seek to voluntarily fund a Long-Term Regional Transmission Facility that otherwise would not meet the CAISO's selection criteria. Following the final selection of facilities, the CAISO would open a two-month window, noticed by a market notice, during which interested entities can propose a framework for funding a specific facility. The method the CAISO will use to determine the amount of voluntary funding required to ensure the facility meets the selection criteria will include an evaluation of the funding proposal to assess if it will achieve a benefit-to-cost ratio of 1.0 and eliminate other deficiencies in the CAISO's benefits evaluation such that the facility would then meet the selection factors.

The CAISO proposes to allow flexibility for the CAISO to determine whether to move forward with any voluntary funding opportunities. The CAISO proposes to utilize parallel language from the merchant transmission facility option already provided to transmission

¹⁴⁰ Order No. 1920 at P 1012.

¹⁴¹ *Id.* at P 1013.

¹⁴² *Id.* at P 1012.

developers in the CAISO's existing tariff.¹⁴³ Merchant transmission facilities are transmission facilities or upgrades that are part of the CAISO Controlled Grid and whose costs are paid by a project sponsor that does not recover the cost of the transmission investment through the CAISO's access charge or other regulatory cost recovery mechanism. These projects are proposed in the comprehensive transmission planning process and must meet certain requirements for the CAISO to approve the projects. Specifically, merchant proposals must mitigate all operational concerns identified by the CAISO to the satisfaction of the CAISO. The CAISO tariff also requires that the project sponsor is financially able to pay for the costs of the merchant transmission facility and may require a demonstration of creditworthiness or a security sufficient to meet the financial responsibilities. The CAISO proposes similar requirements for proposed funding parties under any voluntary funding agreement. These requirements will help ensure the project is financially viable and presents no operational or reliability concerns.

As part of its proposed tariff, the CAISO proposes to establish a requirement for CAISO Governing Board approval for any project moving forward with voluntary funding.¹⁴⁴ This is consistent with the treatment of merchant facilities that are similarly funded outside of the CAISO's regular rate recovery process.¹⁴⁵ Regardless of the funding structure – whether through traditional rate recovery or a new voluntary funding process – all projects must ultimately be approved and included in the CAISO's transmission plan.

The CAISO proposes to memorialize the proposal through execution of an agreement between the CAISO and the funding parties, which it would file with the Commission. The CAISO does not propose to create a *pro forma* agreement for this purpose given the potential complexities and unique terms in any proposal. Allowing the parties to negotiate the proposal will ensure the most specific and tailored agreement. The proposed CAISO tariff provisions also clarify that voluntary funding does not confer any special rights to those funding parties beyond those given to developers of merchant transmission facilities, most specifically the use of merchant congestion revenue rights to compensate the developer for building the project. Voluntary funding does not, for example, allow the funding parties to have any direction over the eventual developer of a project, whether it be incumbent or non-incumbent, which would occur pursuant to the CAISO Board of Governors' approval. The provisions of the CAISO tariff for eligibility for competitive solicitation that apply to development of Long-Term Regional Transmission Facilities will apply regardless of whether there is voluntary funding, in whole or in part.

Finally, as directed by Order No. 1920, the CAISO has presented this voluntary funding framework and tariff language to Relevant State Entities and received supportive

¹⁴³ CAISO tariff section 24.4.6.1.

¹⁴⁴ Proposed CAISO tariff section 24.11.5.1.

¹⁴⁵ CAISO tariff section 24.4.6.1. Merchant transmission facility proposals are evaluated as part of the comprehensive transmission planning process and, if selected, are included in the transmission plan that goes to the CAISO Governing Board for final approval.

feedback for the flexibility this framework provides. The tariff language does not direct any specific type of arrangement or structure for Relevant State Entities or interconnection customers for voluntary funding of Long-term Regional Transmission Facilities and instead allows them to bring forward their best proposals.

6. Reevaluation

Order No. 1920 requires transmission providers to include a process for reevaluating facilities that were previously selected when certain circumstances exist or events occur, including the procedures used to reevaluate and the potential outcomes of reevaluation.¹⁴⁶ The three circumstances that would trigger reevaluation are: (1) delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize a transmission provider's ability to meet its reliability needs or reliability-related service obligations; (2) 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;¹⁴⁷ or (3) 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.¹⁴⁸ Reevaluation, similar to the purpose of the Long-Term Regional Transmission Planning process, must seek to maximize benefits accounting for costs over time without over-building transmission facilities.¹⁴⁹ Order No. 1920 requires transmission providers to identify the criteria they will use to determine when one of these criteria are triggered and a point at which a facility can no longer to be reconsidered for reevaluation.¹⁵⁰ Order No. 1920 also provides additional guidance for projects that may be reevaluated based on significant changes in laws or regulation, stating such projects are only eligible for reevaluation if the facility's targeted in-service date was in the latter half of the 20-year long-term planning horizon.¹⁵¹ Projects meeting this triggering criteria must be part of a subsequent planning cycle following selection, and reevaluation must take into account updated costs and updated benefits.¹⁵² The CAISO proposes to include new tariff section 24.11.6 to describe a reevaluation process for Long-Term Regional Transmission

¹⁴⁶ Order No. 1920 at PP 1048, 1052.

¹⁴⁷ Order No. 1920 at P 1052, which requires transmission providers to include a mechanism for tracking costs so that transmission providers have an accurate way to determine if the actual or projected costs of the previously selected Long-Term Regional Transmission Facility exceed cost estimates by the relevant threshold,

¹⁴⁸ Order No. 1920 at P 1049.

¹⁴⁹ *Id.* at P 1052.

¹⁵⁰ *Id.* at P 1050.

¹⁵¹ *Id.* at P 1051.

¹⁵² *Id.* at P 1052.

Facilities previously selected. The CAISO includes the specific circumstances described in Order No. 1920 that would trigger the reevaluation.¹⁵³ The CAISO also includes proposed criteria that would indicate to the CAISO that each of the circumstances has occurred.

Where delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize a transmission provider's ability to meet the requested in-service date, the CAISO will evaluate whether this delay jeopardizes the CAISO's ability to meet reliability needs or reliability-related service obligations prior to triggering a reevaluation.¹⁵⁴ The CAISO's transmission planning process identifies an in-service date for a project based on the date the facility is required to meet the identified need. The CAISO does not establish a buffer timeframe for projects so they are completed earlier than needed because this could result in ratepayers paying for transmission facilities sooner than they are needed. Thus, a delay in an in-service date is a good indicator a project's delay may impact the CAISO's ability to meet its reliability-related service obligations. The CAISO notes it uses this consideration as a trigger in the current transmission planning process, where a delay in an in-service date triggers an evaluation by the CAISO of any need to develop a plan to address potential NERC reliability standards violations.¹⁵⁵ The CAISO's proposed tariff language specifies that a delay in an in-service date would not automatically trigger a reevaluation; rather, a delay is simply a trigger for the CAISO to evaluate whether the delay jeopardizes the CAISO's ability to meet its reliability obligations. Thus, this criteria consists of two parts: first an in-service date delay triggers the CAISO to evaluate whether there are potential reliability impacts, and second, if there are reliability impacts, then the delay would trigger the criteria for reevaluation.

For circumstances in which the actual or projected costs of a previously selected Long-Term Regional Transmission Facility significantly exceed cost estimates used in the CAISO's initial selection of the facility, the CAISO proposes to reevaluate a project if the projected cost increase exceeds 20 percent of estimated costs.¹⁵⁶ This threshold allows for a buffer for transmission developers to address unexpected situations that may increase the actual or estimated costs of a specific development. Because the CAISO anticipates that Long-Term Regional Transmission Facilities are likely to be large and expensive, a 20% increase in cost will represent a significant increase in dollars and could cause a project to no longer meet the selection criteria in the Long-Term Regional Transmission Planning process. The CAISO also notes that although a 20 percent threshold triggers formal reevaluation, the CAISO consistently reviews transmission project costs to ensure they are still viable, and thus, it may consider a reevaluation on a case-by-case basis below the 20% threshold. To track the costs, the CAISO proposes to require quarterly reports from developers. This is consistent with the quarterly reporting requirements of other

¹⁵³ Proposed tariff section 24.11.6.1.

¹⁵⁴ *Id.*

¹⁵⁵ CAISO tariff section 24.6.2, Delay in the Transmission Solution In-Service Date.

¹⁵⁶ Proposed tariff section 24.11.6.2.

project developers in the existing CAISO tariff.¹⁵⁷ The CAISO holds transmission development forums twice a year to provide public status updates on the progress of transmission projects previously approved through the transmission planning process.¹⁵⁸

Finally, to address significant changes in federal, federally recognized Tribal, state, or local laws or regulations that give rise to reasonable concerns that a previously selected facility may no longer meet the selection criteria, the CAISO proposes a two-step process. First, if the CAISO becomes aware of a change in law, it will evaluate whether such a change in law or regulation causes a reasonable concern that a facility will no longer meet applicable selection criteria. This allows the CAISO to first evaluate the change in law for any potential impacts before automatically triggering a reevaluation of the facility. The CAISO proposes to include in its tariff the specific limitations to the circumstances prescribed by Order No. 1920. The proposed tariff language specifically states that reevaluation on basis of cost increases or significant changes in laws or regulations must be part of a subsequent cycle following selection and must account not only for the updated costs but also the updated benefits.¹⁵⁹

Once reevaluation is triggered, the CAISO proposes to assess projects subject to reevaluation in the subsequent transmission planning cycle.¹⁶⁰ This assessment would include any planning cycle currently in progress under development, which would allow the CAISO to undertake the reevaluation in the most timely manner possible. Including the projects to be reevaluated in a full planning cycle will ensure the CAISO can meaningfully determine if any of the factors resulting in the triggering of the reevaluation process might impact the current planning cycle and warrant action to be taken on the reevaluated project. The CAISO proposes to include a suite of options for how the CAISO may respond to the results of a reevaluation, without prescribing specific actions for specific outcomes. This is consistent with the CAISO's tariff language regarding delays in an in-service date for other transmission projects,¹⁶¹ where the CAISO has the flexibility to address the needs of an individual project on a case-by-case basis. The CAISO proposes to include options in its tariff including no action, imposing a mitigation plan, reassigning the project, modifying the

¹⁵⁷ Section 24.6.1 of the CAISO tariff requires reports from approved project sponsors every ninety (90) days.

¹⁵⁸ Information on the transmission development forum is available on the CAISO website: <https://stakeholdercenter.caiso.com/RecurringStakeholderProcesses/Transmission-development-forum>

¹⁵⁹ Proposed tariff section 24.11.6.2.

¹⁶⁰ Proposed tariff section 24.11.6.2. The CAISO confirms that, pursuant to Order No. 1920 at P 1055, the selection status of previously selected facilities will not be subject to the outcome of subsequent planning cycles but will instead use that cycle as the vehicle for reevaluation.

¹⁶¹ CAISO tariff section 24.6.2.

facility, or removing the facility from the plan.¹⁶² Providing flexibility in the action taken will allow the CAISO to mitigate issues in a way that best serves the ratepayers.

E. Reforms to Implement Long-Term Regional Planning

Order No. 1920, as modified by Order No.1920-A, requires transmission providers to provide an explanation of how the initial timing sequence interacts with the existing regional transmission planning processes and the possible displacement of regional transmission facilities from existing regional transmission planning processes.¹⁶³ It similarly requires transmission providers to propose a compliance date no later than two years from the date on which initial filings to comply are due, and must explain why the proposed date is necessary and appropriately tailored for their transmission region.¹⁶⁴

In Section III.A above, the CAISO provides details on the proposed interaction between its existing comprehensive transmission planning process and its proposed Long-Term Regional Planning Process. The CAISO does not anticipate any displacement of regional transmission facilities from the existing regional transmission planning processes in the early years of the new planning cycle. The CAISO's current comprehensive transmission planning process addresses needs in the 10- and 15-year timeframe. For this reason, the CAISO expects to identify the overwhelming majority of needed facilities in its upcoming comprehensive transmission planning cycles. As the planning cycles proceed, it is possible that the CAISO may identify and select projects in the Long-Term Regional Planning Process in an earlier year than they would be selected in the comprehensive transmission planning process. This approach advances the objective of Order No. 1920: to conduct advanced planning for projects that may have broader benefits when selected earlier.

Finally, the CAISO proposes a compliance date of Q2 of 2027 to begin the first planning cycle for its Long-Term Regional Transmission Planning Process, which will result in the first Long-Term Regional Transmission Plan to be issued in 2030. This timing allows the CAISO to continue coordination with state agencies on inputs during 2026 before ultimately aligning the new long-term planning cycle with the revised biennial comprehensive transmission planning cycle to ensure that the transmission plans are coordinated and issued in the same year. The CAISO anticipates completing two more cycles of the comprehensive transmission planning process conducted on an annual basis (2026-2027 and 2027-2028). The CAISO will then transition to the biennial process, issuing the first comprehensive transmission plan in 2030.

¹⁶² Proposed CAISO tariff section 24.11.6.2.

¹⁶³ Order No. 1920 at P 1071.

¹⁶⁴ Order No. 1920-A at P 507.

F. Reforms to Implement Coordination of Regional Transmission Planning and Generator Interconnection Processes

Order No. 1920 requires transmission providers to evaluate regional transmission facilities that address certain interconnection-related transmission needs in their existing Order No. 1000 regional transmission planning and cost allocation processes.¹⁶⁵ The Order declines to allow transmission providers to determine qualifying criteria for which needs it evaluate, and instead it provides five specific criteria the CAISO must use. These criteria are as follows: (1) the transmission provider has identified interconnection-related network upgrades in interconnection studies in at least two interconnection queue cycles;¹⁶⁶ (2) the upgrade is at a voltage of at least 200 kV and an estimated cost of at least \$30 million;¹⁶⁷ (3) the interconnection request(s) driving the need for the upgrade(s) in two or more cycles have been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal;¹⁶⁸ (4) the transmission provider has not identified an interconnection-related network upgrade to address the relevant interconnection-related transmission need in an executed Generator Interconnection Agreement (GIA) or GIA that the interconnection customer requested be filed unexecuted;¹⁶⁹ and (5): the interconnection request withdrawals associated with the repeatedly identified interconnection-related transmission need occurred no earlier than seven calendar years prior to the commencement date of the Order No. 1000 regional transmission planning and cost allocation cycle.¹⁷⁰

The CAISO proposes to incorporate these criteria, with the initial evaluation occurring in the first Order No. 1000 regional transmission planning and cost allocation cycle to occur after the effective date of the tariff revisions implementing this reform. The CAISO's existing Order No. 1000 process already includes provisions to evaluate interconnection-related transmission needs. On compliance with Order No. 1920, the CAISO proposes to retain the existing process but conform the criteria to those provided in the Order.¹⁷¹ The CAISO proposes to revise its existing criteria for voltage and capital costs to conform with the Order's qualifying criteria (2) and proposes to add new qualifying criteria (1), and (3)-(5).¹⁷²

¹⁶⁵ Order No. 1920 at P 1126.

¹⁶⁶ *Id.* at P 1145; as modified in Order No. 1920-A at P 545.

¹⁶⁷ *Id.* at P 1145.

¹⁶⁸ *Id.* at P 1145; as modified in Order No. 1920-A at P 545.

¹⁶⁹ *Id.* at P 1145.

¹⁷⁰ *Id.*

¹⁷¹ Proposed tariff sections 24.3.1(e), 24.4.5, 24.4.6.5.

¹⁷² *Id.* at 24.4.6.5(a)-(e).

Additionally, the CAISO proposes to remove outdated references to older interconnection procedure appendices and study names that have been replaced and create more generic references.¹⁷³ These changes will eliminate the need for the CAISO to update the transmission planning tariff in cases where a new appendix is created to address future interconnection procedures, as was recently the case with the CAISO's new Appendix KK created in compliance with the Commission's Order No. 2023.¹⁷⁴ The CAISO proposes to make these changes to existing section 24.4.6.5 of the CAISO tariff by streamlining the process language to eliminate different treatment for different categories of facilities because those separate categories no longer exist elsewhere in the CAISO tariff. The CAISO proposes to maintain the process of posting a list of interconnection-related network upgrades eligible for assessment. With new the proposed tariff language, the CAISO will determine the responsibility to build interconnection-related facilities under the existing framework in the transmission planning process as relevant to local or regional facilities and either their direct assignment or eligibility for competitive solicitation.

G. Reforms to Implement Consideration of Alternative Transmission Technologies

The CAISO's existing Order No. 1000 transmission planning process supports consideration of the application of alternative transmission technologies.¹⁷⁵ In recent years, the CAISO has worked to support the appropriate application and deployment of these technologies and has considered them on a case-by-case basis as potential alternatives in past annual transmission planning processes. The CAISO typically considers advanced conductors and power flow controllers as planning tools providing an alternative to other capital expenditures and has also considered dynamic thermal line ratings and topology optimization to access the operational benefits of additional capacity. To date, flow controllers have proved most successful. Examples include the Imperial Valley phase shifting transformer, HVDC flow control via two projects under development in San Jose, multiple uses of reactors and Smart Wires technology, multiple uses of statcoms, static VAR compensators, synchronous condensers, and series capacitors.

In Order No. 1920, the Commission directs transmission providers in each transmission planning region to consider, in Long-Term Regional Transmission Planning and existing Order No. 1000 regional transmission planning processes, the following

¹⁷³ Proposed tariff sections 24.3.1, 24.4.6.5.

¹⁷⁴ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054 (2023) ("Order No. 2023"), *order on reh'g & clarification*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024) ("Order No. 2023-A").

¹⁷⁵ See 2024-2025 CAISO transmission plan, section 1.4.1, <https://www.caiso.com/documents/iso-board-approved-2024-2025-transmission-plan.pdf>

technologies for *each identified transmission need* when evaluating new regional transmission facilities, as well as upgrades to existing transmission facilities¹⁷⁶:

- (1) dynamic line ratings;¹⁷⁷
- (2) advanced power flow control devices;¹⁷⁸
- (3) advanced conductors;¹⁷⁹ and
- (4) transmission switching.¹⁸⁰

The Commission directs transmission providers to assess whether regional transmission facilities that incorporate, or solely consist of, any of the listed alternative transmission technologies would be more efficient or cost-effective than selecting new regional transmission facilities or upgrades to existing transmission facilities that do not incorporate these technologies.¹⁸¹ Transmission providers must assess the benefits of these technologies and any additional benefits the transmission providers elect to measure for Long-Term Regional Transmission Facilities consistent with the metrics used to assess regional benefits of any transmission solution as well as apply comparable selection criteria.¹⁸² In the context of Order No. 1000 regional transmission planning, transmission providers must also consider the benefits of incorporating the enumerated alternative transmission technologies into transmission facilities in the same way they evaluate regional transmission facilities to determine if a regional transmission facility incorporating

¹⁷⁶ Order No. 1920 at P 1198.

¹⁷⁷ Order No. 1920 defines a dynamic line rating is “a transmission line rating that applies to a time period of not greater than one hour and reflects up-to-date forecasts of inputs such as (but not limited to) ambient air temperature, wind, solar heating, transmission line tension, or transmission line sag.”

¹⁷⁸ Order No. 1920 states “advanced power flow control devices serve a transmission function. These devices can help the system operator control power flows over a given path and can include phase shifting transformers (also known as phase angle regulators) and devices or systems necessary for implementing optimal transmission switching. Advanced power flow control devices allow power to be pushed and pulled to alternate lines with spare capacity leading to maximum utilization of existing transmission capacity.”

¹⁷⁹ Order No. 1920 states “advanced conductors include present and future transmission line technologies whose power flow capacities exceed the power flow capacities of conventional aluminum conductor steel reinforced conductors.”

¹⁸⁰ Order No. 1920 states “transmission switching is the opening or closing of transmission elements to safely route power and direct flows away from congestion, based on pre-existing forward analysis.”

¹⁸¹ Order No. 1920 at P 1198.

¹⁸² *Id.* at P 1199.

any of the enumerated transmission technologies would be a more efficient or cost-effective regional transmission solution.¹⁸³

To effect these new screens, the CAISO proposes tariff language to consider the technologies enumerated by Order No. 1920 without excluding other technologies that may also provide benefits consistent with the metrics used to assess regional benefits of any transmission solution.¹⁸⁴ This language will apply to both the CAISO's No 1000 regional transmission planning process and the Long-Term Regional Transmission Planning process adopted by Order No. 1920. In addition, the CAISO will consider the benefits of incorporating the enumerated alternative transmission technologies into transmission facilities to determine if a regional transmission facility incorporating any of the enumerated transmission technologies would be a more efficient or cost-effective regional transmission solution, whether the solution is a new regional transmission facility or an upgrade to existing transmission facilities.¹⁸⁵ As part of its Order No. 1000 and Long-Term Regional Transmission Plans, the CAISO will also explain in sufficient detail for stakeholders to understand why dynamic line ratings, advanced power flow control devices, advanced conductors, and/or transmission switching were or were not incorporated into selected regional transmission facilities.¹⁸⁶

Consistent with the directives of Order No. 1920, the CAISO will designate an incumbent transmission provider to develop any alternative transmission technology selected for incorporation into that incumbent transmission provider's existing transmission facilities as the more efficient or cost-effective transmission solution. For those transmission solutions that include alternative transmission technologies that are subject to competitive solicitation in the CAISO's region, the CAISO will consider the potential use of alternative transmission technologies when the CAISO identifies the project subject to a competitive solicitation.¹⁸⁷

H. Reforms to Implement Regional Cost Allocation

Order No. 1920 requires transmission providers to include in their tariffs a one-time, six month "engagement period" to serve as a forum for negotiation on a cost allocation methodology for Long-Term Regional Transmission Facilities and/or state engagement process that enables meaningful participation by Relevant State Entities

¹⁸³ Order No. 1920 at P 1199.

¹⁸⁴ See proposed CAISO tariff sections 24.1; 24.2(d); 24.3.1(j); 24.4.2; 24.4.7(l); 24.4.8; *see also* proposed definition of alternative transmission technologies in Appendix A of CAISO tariff.

¹⁸⁵ See proposed CAISO tariff section 24.4.5; Order No. 1920 at PP 1199 and 1201.

¹⁸⁶ See proposed CAISO tariff section 24.4.8; Order No. 1920 at P 1214.

¹⁸⁷ See proposed CAISO tariff section 24.5.2.3(q) and Order No. 1920 at P 1205.

during the engagement period.¹⁸⁸ The Commission clarified that on compliance, transmission providers must file an *ex ante* “backstop” cost allocation method even if relevant state entities fail to reach an agreement on a cost allocation method and/or state agreement process during the engagement period.¹⁸⁹ The Commission further required transmission providers to demonstrate on compliance that any *ex ante* “backstop” cost allocation method complies with Order No. 1000 regional cost allocation principles 1-5, but not principle 6. The Commission explained, however, that compliance with these principles would not be required if the relevant state entities agree to cost allocation either during the engagement period or pursuant to a state agreement process,¹⁹⁰ except that if transmission providers file cost allocation methods based on state agreement, such methods must still demonstrate that they allocate costs in a manner “at least roughly commensurate with benefits.”¹⁹¹

Order No. 1920-A requires transmission providers to include in the transmittal letter or as an attachment to their compliance filings any *ex ante* cost allocation method or State Agreement Process agreed to by the Relevant State Entities, even if the transmission provider chooses not to propose the method or process in compliance with Order No. 1920.¹⁹² Further, Order No. 1920-A requires transmission providers to include in their compliance filings any information related to Relevant State Entities’ agreed-upon cost allocation method or State Agreement Process that Relevant State Entities request that transmission providers include on compliance.

Going beyond the compliance stage, Order No. 1920-A requires transmission providers to consult with Relevant State Entities before amending their Long-Term Regional Transmission Cost Allocation Method or State Agreement Process or Processes that is on file with the Commission, or later, if Relevant State Entities seek for the transmission provider to amend the method or process consistent with their chosen method to reach agreement.¹⁹³ To increase transparency, Order No. 1920-A also requires transmission providers post on a public website the results of their consultations with Relevant State Entities before filing such an amendment and explain why they chose not to propose any amendments preferred by Relevant State Entities.

¹⁸⁸ Order No. 1920 at PP 1357-58.

¹⁸⁹ *Id.* at P 1367.

¹⁹⁰ *Id.* at PP 1469-70.

¹⁹¹ *Id.* at P 1506.

¹⁹² Order No. 1920-A at P 651.

¹⁹³ *Id.* at P 691.

The CAISO proposes to add this requirement to its tariff, should such future circumstances arise.¹⁹⁴

1. Cost Allocation Process

The CAISO proposes to apply its existing transmission cost allocation framework to Long-Term Regional Transmission Facilities. Consistent with this existing cost allocation framework described in Section II.E, the CAISO will (1) allocate the costs of Long-Term Regional Transmission Facilities 200 kV and above on a systemwide basis, and (2) allocate the costs of any Long-Term Regional Transmission Facilities below 200 kV to the Participating TO in whose footprint they are located, which will, in turn, recover such costs from its customers using Low Voltage Transmission Facilities.

The Commission has found the CAISO's existing transmission cost allocation methodology compliant with Order No. 1000.¹⁹⁵ Thus, it satisfies the cost allocation principles enunciated in Order No. 1000: (1) the costs of selected transmission facilities must be allocated to those within the transmission planning region that benefit from those facilities in a manner that is at least roughly commensurate with the estimated benefits; (2) those parties that receive no benefit from transmission facilities, either at present or in a likely future scenario must not involuntarily be allocated any of the costs of transmission facilities; (3) a benefit-to-cost threshold ratio, if adopted, cannot exceed 1.25:1; (4) costs must be allocated to solely within the transmission planning region unless another entity outside the region voluntarily assumes a portion of those costs; (5) the method for determining benefits and identifying beneficiaries must be transparent; and (6) there may be different regional cost allocation methods for different types of transmission facilities, such as those needed for reliability, congestion relief, or to achieve Public Policy Requirements.¹⁹⁶ Applying the existing transmission cost allocation methodology to Long-Term Regional Transmission Facilities will likewise satisfy Order No. 1000's cost allocation principles and, thus, the requirements of Order No. 1920.

Regarding Cost Allocation Principle No. 1, the CAISO's transmission cost allocation scheme allocates costs in rough proportion to benefits not only because of the historical development of the CAISO-Controlled grid, but also because of the functional characteristics, operations, flows, and physical configuration of the transmission system in

¹⁹⁴ Proposed tariff section 24.14

¹⁹⁵ *Calif. Indep. Sys. Operator Corp.*, 143 FERC ¶ 61,057 (2013).

¹⁹⁶ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Pub. Util.*, Order No. 1000, 136 FERC ¶ 61,051 (2011); *order on reh'g and clarification*, 139 FERC ¶ 61,132 (Order No. 1000-A) (2012); *order on reh'g and clarification*, 141 FERC ¶ 61,044 (Order No. 1000-B) (2012), *aff'd.*, *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

its footprint. It recognizes that the higher-voltage transmission lines (200 kV and above) on the CAISO controlled grid perform a backbone function that supports regional flows of bulk energy throughout the system; whereas, the lower-voltage facilities (below 200 kV) in this region are essentially local facilities designed (1) to deliver energy already transmitted over the higher-voltage lines to local customers in load pockets, or (2) to deliver energy from smaller-scale, individual generating units used to serve local areas. The higher-voltage facilities support the attachment and delivery of bulk energy throughout the system. They also enable the CAISO to maintain reliability on the overall system, support the import and export of power, provide access to remote resource areas, and facilitate reserve sharing among load serving entities.

As the CAISO explained in its Order No. 1000 compliance filing accepted by the Commission, the CAISO grid transmission facilities 200 kV and above (higher-voltage transmission lines) provide regional benefits, but facilities below 200 kV (lower-voltage transmission lines) are local in nature.¹⁹⁷ The CAISO reiterated this fact when describing the difference between regional and local facilities on the CAISO grid in its Comments in the Order No. 1920 rulemaking proceeding:

The CAISO's transmission cost allocation scheme recognizes that the high voltage transmission lines on the CAISO grid perform a backbone function that supports regional flows of bulk energy throughout the system; whereas, the lower voltage facilities are essentially local facilities designed (1) to deliver energy already transmitted over the high voltage lines to local customers in load pockets, or (2) to deliver energy from smaller-scale, individual generating units used to serve local areas. The high voltage facilities support the attachment and delivery of bulk energy throughout the system. They also enable the CAISO to maintain reliability on the overall system, support the import and export of power, provide access to remote resource areas, and facilitate reserve sharing among load serving entities.¹⁹⁸

The CAISO's Order No. 1000 compliance filing described in detail how facilities below 200 kV in each of the Participating TO service territories (*i.e.*, PG&E, SCE, and SDG&E) are configured and operated to provide a local function, not a regional function.¹⁹⁹ The CAISO will not repeat that discussion here.

¹⁹⁷ Transmittal letter for CAISO Order No. 1000 Compliance Filing at 23-30 and Prepared Testimony of Neil Millar, Docket No. ER13-103-000 (Oct. 11, 2012), available at <https://www.caiso.com/documents/october112012order1000compliancefiling-docketnoer13-103-000.pdf>.

¹⁹⁸ CAISO Comments on Advance Notice of Proposed Rulemaking, Docket No. RM21-17-000, at 74 (Oct. 12, 2021), available at <https://www.caiso.com/documents/oct12-2021-comments-advancenoticeofproposedrulemaking-buildingtransmissionsystemofthefuture-rm21-17.pdf>.

¹⁹⁹ Transmittal letter for CAISO Order No. 1000 Compliance Filing at 26-28 and attached Prepared Testimony of Neil Millar at 3-7.

Just as the CAISO's existing cost allocation methodology complies with the Order No. 1000 principle that costs be allocated in a way that is roughly commensurate with benefits, it is also consistent with the remaining regional costs allocation principles established in Order No. 1000.

In the second principle, the Commission required there be no involuntary allocation of costs to non-beneficiaries. The CAISO has shown that all users of the high voltage grid benefit from that use. There is no allocation of costs to non-beneficiaries of low voltage facilities because customers that do not take service on low voltage facilities do not pay for them.

The Commission's third regional cost allocation principle is that, if the regional planning entity uses a cost-benefit ratio to determine which transmission facilities have net benefits to be selected in the regional transmission plan for purposes of regional cost allocation, it must not be so high that transmission facilities with positive transmission benefits are excluded from cost allocation. This is not applicable because the CAISO proposes no such ratio for Long-Term Regional Transmission Facilities. The CAISO notes that under its existing framework the need for economic transmission facilities is determined based on whether the economic benefits of the project outweigh the costs, but there is no minimum threshold above 1:1 in the tariff.

Next, in Order No. 1000 the Commission stated that allocation must be solely within a planning region unless the outside region voluntarily assumes cost. The costs of transmission facilities located solely on the CAISO-controlled grid are allocated only to the CAISO region, not to neighboring regions (unless such neighboring regions were to voluntarily accept the allocation of such costs).

Order No. 1000's fifth regional cost allocation principle provides that there must be a transparent method for determining benefits and identifying beneficiaries. The CAISO's bright-line voltage level split constitutes a transparent method for determining the benefits and identifying the beneficiaries of transmission facilities on the CAISO-controlled grid.

Regarding the sixth cost allocation principle, the Commission indicated in Order No. 1000 that a transmission planning region may choose to use a different cost allocation method for different types of regional transmission facilities (such as transmission facilities needed for reliability, congestion relief, or to achieve public policy requirements). This requirement is not applicable because the CAISO's cost allocation does not distinguish between different types of transmission facilities—costs are allocated based on voltage levels not the category of transmission. Regardless of the need that justifies the construction of a specific transmission facility, high voltage transmission facilities provide regional benefits and are allocated regionally, and local transmission facilities provide only local benefits and are allocated locally. In any event, Order No. 1920 does not require transmission providers to show compliance with the sixth cost allocation principle.

Finally, the CAISO notes the legislation that created the CAISO – California Assembly Bill 1890 – directed the development of a new transmission access charge and established a default methodology (if CAISO Governing Board action did not develop an alternative approach) consisting of a uniform “regional” transmission access charge and a utility-specific “local” access charge. The default methodology in the relevant California statute defined regional transmission as facilities operating at 230 kV and above and local transmission as facilities operating below 230 kV.²⁰⁰ To implement the legislation, the CAISO worked with stakeholders for over two years to model and evaluate extensive data. The result is reflected in the CAISO’s demarcation of regional transmission facilities (200 kV and above) and local transmission facilities (below 200 kV).²⁰¹

For the foregoing reasons, the Commission should accept the CAISO’s proposed cost allocation for Long-Term Regional Transmission Facilities as compliant with Order No. 1920.

2. Relevant State Agency Input

In the context of cost allocation for Long-Term Regional Transmission Facilities, Order No. 1920 directs that before submitting a filing in compliance with the Commission’s final rule, public utility transmission providers must open a six-month engagement period with Relevant State Entities. The CAISO completed this effort. The purpose of the engagement period is to provide Relevant State Entities with a forum for relevant state entities to negotiate Long-Term Regional Transmission Facility cost allocation method(s) and/or a state agreement process.²⁰² Order No. 1920 directs public utility transmission providers to take the following steps:²⁰³

- a. Provide notice of the starting and end dates for the six-month engagement period;
- b. Identify a single point of contact that relevant state entities may use to communicate about any agreement among Relevant State Entities on a Long-Term Regional Transmission Planning cost allocation method(s) and/or a state agreement process, as well as a deadline for

²⁰⁰ Cal. Pub. Util. Code § 9600(a)(2)(c).

²⁰¹ Transmittal Letter for CAISO Order No.1000 Compliance Filing at 24.

²⁰² Order No. 1920 at P 1357. The Commission defines Relevant State Entities to mean: “[A]ny state entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by the law of such state.” Order No. 1920 at P 1355. The CAISO proposes to add this definition to Appendix A of the CAISO tariff.

²⁰³ Order No. 1920 at PP 1354, 1356.

communicating such agreement. Order No 1920 directs that the deadline must be no earlier than the end date of the engagement period;

- c. Provide a forum for negotiation of a long-term regional transmission cost allocation method(s) and/or a state agreement process that enables meaningful participation by relevant state entities.

The CAISO initiated a state engagement period in the fourth quarter of 2024 and completed this effort in the second quarter of 2025. On October 16, 2024, the CAISO issued a notice on its website to start the Order No. 1920 state engagement period under Order No. 1920.²⁰⁴ That notice provided the CAISO would start the state engagement period on November 1, 2024, and complete this process by May 1, 2025. The notice (1) identified a single point of contact for relevant state entities to use to communicate regarding any agreement they reach on a long-term regional transmission cost allocation method(s) and/or a state agreement process and (2) identified the deadline for communicating any such agreement as May 15, 2025. The CAISO held two virtual meetings with representatives from Relevant State Entities that expressed an interest in joining these discussions.

The CAISO convened the first meeting with Relevant State Entities on November 22, 2024. At that meeting, the CAISO discussed the current cost allocation methodology pursuant to the regional transmission access charge framework set forth in the CAISO's tariff. Representatives from the CPUC, the Nevada Public Service Commission, the CEC, the Northern California Power Agency, as well as the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside attended the meeting. The CAISO convened the second meeting with Relevant State Entities on March 14, 2025.

As of the date of this compliance filing, the CAISO has not received a communication from Relevant State Entities informing the CAISO of an agreement among Relevant State Entities on any alternative long-term regional transmission cost allocation method(s) and/or a state agreement process. As explained in detail throughout this filing, the CAISO actively coordinates with state entities in connection with its transmission planning processes. If relevant state entities develop a long-term regional transmission cost allocation method(s) and/or a state agreement process as part of these processes, the CAISO will work with them to present any such cost allocation method or agreement to the Commission.

²⁰⁴ A copy of that notice is available on the CAISO's website at the following link:
<https://www.caiso.com/notices/ferc-order-no-1920-engagement-period-to-start-11-1-24>

**I. Reforms to Implement Local Transmission Plan Inputs in the
Regional Transmission Planning Process (CAISO's Existing
Comprehensive Transmission Planning Process)**

**1. Enhanced Transparency of Local Transmission Planning Inputs in
the Regional Transmission Planning Process**

Order No. 1920 requires transmission providers to revise their regional transmission planning processes to enhance transparency of (1) criteria, models, and assumptions that they use in their local transmission planning process; (2) local transmission needs that they identify through the local transmission planning process; and (3) the potential local or regional transmission facilities that they will evaluate to address those local transmission needs.²⁰⁵ To facilitate this enhanced transparency, Order No. 1920 directs transmission providers to establish a stakeholder process utilizing three publicly-noticed meetings per regional transmission planning cycle concerning the local transmission planning process of each transmission provider that is a member of the transmission planning region before each transmission provider's local transmission plan can be incorporated into the transmission planning region's planning models.²⁰⁶ The first meeting, the Assumptions Meeting, is intended to review the criteria, assumptions, and models related to each transmission provider's local transmission planning.²⁰⁷ The second meeting, the Needs Meeting, is to be held no fewer than 25 calendar days after the Assumptions Meeting, and is intended to review identified reliability criteria violations and other transmission needs that drive the need for local transmission facilities.²⁰⁸ The third meeting, the Solutions Meeting, similarly held no fewer than 25 calendar days after the Needs Meeting, is intended to review potential solutions to those reliability criteria violations and other transmission needs.²⁰⁹

Transmission providers must identify and publicly post information regarding these meetings no fewer than five calendar days before and provide an opportunity for comment on the information both before and after the stakeholder meetings.²¹⁰ Transmission providers must respond to questions or comments from stakeholders such that it allows stakeholders to meaningfully participate in these three required stakeholder meetings.²¹¹

²⁰⁵ Order No. 1920 at P 1625.

²⁰⁶ *Id.* at P 1626.

²⁰⁷ *Id.* at P 1627.

²⁰⁸ *Id.*

²⁰⁹ *Id.*

²¹⁰ Order No. 1920 at PP 1625, 1627, 1628.

²¹¹ Order No. 1920 at P 1628.

The CAISO proposes to comply with Order No. 1920 by incorporating the requirements into its existing processes that both conduct the required analysis and incorporate stakeholder perspectives on the inputs, assumptions, needs, and solutions. As discussed, *supra*, unlike some other planning regions, the CAISO performs both regional and local transmission planning in its region; local planning is not delegated to transmission owners. The CAISO already completes coordinated local and regional planning with stakeholder input.²¹² Conducting integrated local and regional planning is superior to transmission owners conducting their own local planning and coordinating with a regional process because it results in a single comprehensive assessment of the most efficient and cost-effective solution, without imposing seams or barriers to the analysis.

The existing processes through which the CAISO identifies assumptions, needs, and solutions applies to both local and regional planning undertaken by the CAISO. The CAISO does not propose to separate regional; and local transmission planning into separate stakeholder meetings because there is no need or way to separate the integrated nature of the planning done by the CAISO. Stakeholders will have continued transparency regarding local planning as contemplated by the Order, but through a more integrated existing process already performed by the CAISO. The CAISO proposes to revise the tariff language related to existing stakeholder meetings to reflect Order No. 1920 terminology and include any specific requirements not already contained in the tariff.²¹³ Though the CAISO's existing process meets these 25-day requirements, the CAISO proposes to confirm these minimum schedule requirements in its tariff.

First, the CAISO proposes to revise existing tariff Section 24.3.3, Stakeholder Input – Unified Planning Assumptions/Study Plan, to reflect the Order No. 1920 Assumptions Meeting requirement. During this existing meeting, the CAISO shares the draft assumptions for both local and regional planning with stakeholders and seeks feedback in the form of oral and written comments. The CAISO proposes to revise this tariff section to identify this meeting as the Assumptions Meeting, pursuant to Order No. 1920's requirements.

Second, the CAISO proposes to revise existing tariff Section 24.4.9, Phase 2 Stakeholder Process, to reflect the requirements of both the Needs Meeting and Solutions Meeting. During Phase 2 of the CAISO's transmission planning process, the CAISO conducts the technical studies to determine the needs and solutions to identified reliability, policy, and economic needs. This existing tariff section includes three meetings: (1) a public meeting to review the technical results of reliability-driven needs, (2) a public meeting to review the technical studies pursuant to policy-driven or economic-driven needs, and (3) a meeting to discuss the draft comprehensive transmission plan which includes

²¹² See section 24.4.8 of the CAISO tariff describing contents of the comprehensive transmission plan.

²¹³ The CAISO proposes to add new definitions of Assumptions Meeting, Needs Meeting, and Solutions Meeting to Appendix A to the CAISO tariff, derived from definitions in Order No. 1920 at P 1627.

solutions to these needs. Because of the significant volume of material presented in these meetings, the CAISO proposes to maintain the two separate meetings for reliability-driven needs and policy and economic-driven needs, renaming these both “Needs Meetings.”²¹⁴ The CAISO proposes to rename the public meeting for the draft comprehensive plan the “Solutions Meeting,”²¹⁵ because the scope of that meeting aligns with the content contemplated in the Order.

The proposed tariff revisions to existing Section 24.3.3 and 24.3.9 also reflect the ability of stakeholders to submit comments before and after each meeting, and the requirement for the CAISO to respond to such comments. The proposed changes also incorporate Order No. 1920’s timeline requirements that materials be posted at least five days²¹⁶ in advance of each meeting and that each meeting occur no sooner than 25 days after the prior meeting.²¹⁷

2. Identifying Potential Opportunities to Right-Size Replacement Transmission Facilities

Order No. 1920 requires transmission providers to identify potential opportunities to right-size replacement transmission facilities in the Long-Term Regional Transmission Planning Process. Transmission providers must evaluate whether facilities (1) operating above specified kV threshold, and (2) that an individual transmission provider that owns the facility anticipates replacing in-kind with a new transmission facility during the next ten years can be “right-sized” to more efficiently or cost-effectively address a Long-Term Transmission Need.²¹⁸ Transmission providers must establish a voltage threshold at or below 200 kV for facilities to be considered²¹⁹ and determine a point sufficiently early in each Long-Term Regional Transmission Planning cycle for transmission owners to submit

²¹⁴ Proposed Tariff Section 24.4.9(a),(b).

²¹⁵ *Id.* at 24.4.9(c).

²¹⁶ The existing tariff language for the stakeholder meeting being renamed the Assumptions Meeting currently has a one-week prior posting deadline for the draft materials. The CAISO proposes maintaining this timeline as it is longer than that required by the Order but proposes to add additional language pertaining to the 5-day advance posting for any other additional meetings that the CAISO determines are necessary to continue any stakeholder discussions of the study plan.

²¹⁷ The CAISO proposes a 25-day minimum timeframe between the Assumptions, Needs, and Solutions Meetings, pursuant to Order No. 1920. The CAISO does not propose 25 days between the two separate Needs meetings because these are on dual tracks flowing out of the Assumptions Meeting and into the Solutions Meeting.

²¹⁸ Order No. 1920 at PP 1677, 1685.

²¹⁹ Order No. 1920-A at P 881.

in-kind replacements.²²⁰ The Order also establishes a federal right of first refusal for a right-sized replacement transmission facility that is selected.

The CAISO proposes to comply with Order No. 1920 by providing this opportunity as described in the Order. The CAISO proposes using 200 kV as the threshold voltage, as it aligns with the Order's requirements and aligns with the CAISO's existing treatment of regional versus local transmission facilities,²²¹ thereby creating uniform treatment in the transmission planning process. Finally, the CAISO's proposed tariff defines a federal right of first refusal for a right-sized replacement transmission facility.²²² The CAISO proposes to coordinate with Participating TOs on any existing facilities following the publication of the CAISO's preliminary assessment results being published to the CAISO website. The preliminary assessment describes the identified needs, but it does not yet identify the facilities that may address those needs. This timing works to allow the CAISO and transmission owners to coordinate the right-sizing facilities around specific needs. This also aligns with the timeframe in which the CAISO will accept proposals from stakeholders or nonincumbent transmission developers: after needs are identified, but before the CAISO identifies and evaluates any facilities. The CAISO's proposed tariff language describes that except for right-sized replacement facilities that are subject to a federal right of first refusal, Long-Term Regional Transmission Facilities will otherwise be eligible for competitive solicitation and go through the Phase 3 process described in the CAISO's existing Tariff Section 24.5.

The development of enhanced, structured coordination with Participating TOs' capital maintenance and lifecycle replacement practices for transmission facilities will not preclude consideration of right-sizing opportunities in the CAISO's comprehensive transmission planning process. The CAISO already considers these types of right-sizing projects in its comprehensive transmission planning process today, based on existing information sharing practices in place that account for both local and regional transmission. The CAISO intends to continue that coordination and potential approval of right-sizing projects through the comprehensive transmission planning process.

The CAISO notes that the new definition of Right-Sized Replacement Transmission Facility and other related terms associated with the Long-Term Regional Transmission

²²⁰ Order No. 1920 at P 1677.

²²¹ See Appendix A to the CAISO tariff, Definition of Local Transmission Facility. "A transmission facility that is (1) under the CAISO Operational Control, (2) is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, (3) operates at a voltage below 200 kilovolts, and (4) only in the case of a transmission facility approved in the final 2013/2014 comprehensive Transmission Plan and thereafter, is located entirely within a Participating Transmission Owner's footprint or PTO Service Territory."

²²² Proposed tariff section 24.11.4. The CAISO also proposes to add new definitions of Right-Sized Replacement Transmission Facility and In-Kind Replacement Transmission Facility to Appendix A of the CAISO tariff, using definitions derived from Order No. 1920 at P 1679.

Planning process do not apply to the comprehensive transmission planning process. In particular, the right of first refusal for a Right-Sized Replacement Transmission Facility only applies to the Long-Term Regional Transmission Planning process. In the comprehensive transmission planning process, the CAISO will continue to apply the current eligibility criteria for competitive solicitations.²²³

J. Reforms to Implement Interregional Transmission Coordination

Order No. 1920 includes requirements related to interregional transmission coordination in the context of Long-Term Transmission Planning. As described above, the elements of these directives have a later compliance date, but the CAISO submits these tariff changes simultaneously in this filing. Because of the separate compliance date, the CAISO requests the CAISO treat these elements as severable.

Transmission providers are required to revise existing interregional transmission coordination procedures to reflect the Long-Term Regional Transmission Planning reforms adopted in this final rule. First, transmission providers are directed to revise procedures to provide for (1) sharing of information regarding respective Long-Term Transmission Needs and facilities; and (2) identification and joint evaluation of interregional transmission facilities that may be more efficient or cost-effective facilities to address Long-Term Transmission Needs.²²⁴ The Order also requires transmission providers to revise coordination procedures to allow an entity to propose an interregional transmission facility in the regional transmission planning process as a potential solution to Long-Term Transmission Needs.²²⁵

Finally, the Order enumerates several requirements for public posting or information distribution through an interregional transmission coordination email the following items: (1) the Long-Term Transmission Needs discussed in the interregional transmission coordination meetings; (2) any interregional transmission facilities proposed or identified in response to Long-Term Transmission Needs; (3) the voltage level, estimated cost, and estimated in-service date of the interregional transmission facilities proposed or identified; (4) the results of any cost-benefit evaluation of such interregional transmission facilities, with results including both any overall benefits identified as well as any benefits particular to each transmission planning region; (5) interregional transmission facilities, if any, selected to meet Long-Term Transmission Needs.²²⁶

²²³ Pursuant to section 24.5.1 of the CAISO tariff, a transmission solution that involves “an upgrade or improvement to, addition on, or a replacement of a part of an existing [transmission] facility” is to be built by the transmission owner, unless a different arrangement is agreed to by the transmission owner.

²²⁴ Order No. 1920 at P 1751.

²²⁵ *Id.* at P 1752.

²²⁶ *Id.* at P 1753.

The CAISO proposes to comply with the Order by revising existing processes to incorporate these new coordination requirements.²²⁷ In an effort to arrive at the proposed tariff changes, the CAISO met regularly with the WestConnect and Northern Grid, and the CAISO's neighbors in the Western planning region to discuss proposed changes. The CAISO's proposed tariff language seeks to align with the direction of its neighboring planning regions.

To comply with Order No. 1920's interregional coordination requirements, the CAISO incorporates several new references to Long-Term Regional Transmission Needs and information sharing to identify that these needs are to be addressed in addition to the already-considered regional transmission needs.²²⁸ Second, the CAISO proposes to revise existing tariff section 24.18.1 - Annual Interregional Information Exchange to include the posting to the CAISO website of the five specific enumerated items required by the Order.²²⁹ Finally, the CAISO has an existing process to allow for an entity to propose an interregional transmission facility in the regional transmission planning process.²³⁰ This process includes a submission window where proponents of an interregional transmission project may seek to have that project evaluated by the relevant planning regions. The proposed changes to the CAISO tariff make clear that these projects can meet Long-Term Regional Transmission Needs.²³¹

The CAISO also proposes to move the window for scheduling the Annual Interregional Coordination Meeting from February through March 31st to February through June 30th.²³² The CAISO makes this change following coordination with other Western planning regions, which will allow the annual meetings to be held after the close of the interregional transmission project submission windows, rather than the middle of the submission windows. This will provide certainty on which interregional transmission projects are being submitted for consideration by the planning regions. This also provides for better coordination and improved information sharing between the Western planning regions.

²²⁷ Section 24.18 of the CAISO tariff outlines the CAISO's Order No. 1000 Common Interregional Tariff. The CAISO proposes changes to the subsections contained therein.

²²⁸ Proposed tariff sections 24.18.2, 24.18.32.

²²⁹ Proposed tariff section 24.18.1(iv)(a)-(e).

²³⁰ See sections 24.4.8 and 24.17.1 of the CAISO tariff.

²³¹ Existing CAISO tariff section 24.13.

²³² Proposed tariff section 24.18.2

IV. Coordination of Compliance Filing with Stakeholders, Relevant State Entities, Tribes, and Western Planning Regions

Order No. 1920 requires transmission providers to draft coordination requirements that work for those transmission providers and their customers and other stakeholders.²³³ Similarly, Order No. 1920 requires transmission providers to propose, after consultation with Relevant State Entities and other stakeholders, evaluation processes that include selection criteria they believe will ensure more efficient or cost-effective facilities are selected.²³⁴ Transmission providers are also required to consult with and seek support from Relevant State Entities when developing a process to provide a voluntary funding opportunity.²³⁵ Order No. 1920-A further clarified that transmission providers must consult with stakeholders to develop the processes, procedures, and transmission tariff revisions necessary to comply with the Order.²³⁶ The CAISO held several stakeholder meetings to discuss and seek feedback from stakeholders.²³⁷

On March 13, 2025, the CAISO held an initial stakeholder conference call to describe the various compliance requirements of Order No. 1920, the compliance timeline, and a high-level overview of key anticipated changes to the CAISO's transmission planning process.

On September 18, 2025, the CAISO held a second conference call with stakeholders to discuss each topic area of the compliance filing and discuss the CAISO's proposed evaluation process and selection criteria. On the call and in written comments, stakeholders requested the CAISO clarify several compliance items, including if and how the CAISO may weigh each benefit in its analysis, how the CAISO anticipated its processes interacting with the CPUC's integrated resource plan process, and more details on whether projects with voluntary funding would later be eligible to receive regional cost allocation. Stakeholders also asked questions about the timeline and scope of the CAISO's proposal to complete a reliability assessment in the off year between comprehensive transmission plans.

On October 3, 2025, the CAISO posted a complete set of proposed tariff revisions to its website. This posting included revisions to the existing Section 24 tariff process, the new Section 24.11 covering long-term transmission planning, and proposed definitions and

²³³ Order No. 1920 at P 560.

²³⁴ *Id.* at PP 924, 994.

²³⁵ *Id.* at P 1012.

²³⁶ Order No. 1920-A at P 923.

²³⁷ All materials related to stakeholder meetings are available on the CAISO's miscellaneous meetings page at <https://www.caiso.com/meetings-events/topics/miscellaneous-meetings>.

definition amendments. The CAISO accepted written comments on this draft tariff language. Comments requested additional details on specific provisions, including the interim reliability analysis, suggested clarifying revisions to the right-sizing process, and suggested a higher threshold for reevaluation based on cost increases. On October 21, 2025, the CAISO held a call with stakeholders to discuss the written comments received following the September 18 call and written comments submitted on the draft tariff language.

In response to stakeholder questions and comments, the CAISO clarified that in its proposed interim reliability assessment it intends to conduct in the off-year under the proposed biennial comprehensive transmission planning process would identify transmission projects required to meet pressing reliability needs, in addition to supporting deliverability and resource adequacy studies. In response to stakeholder questions, the CAISO clarified it does not intend to provide an option to either upgrade the interim reliability assessment to a comprehensive transmission plan or to revert back to an annual cycle for the entire 10-15 comprehensive transmission planning process. The CAISO also clarified it does not intend to extend the project submission timelines for transmission owners contained in the tariff related to reliability needs because the CAISO must still plan to meet applicable NERC reliability standards on an annual basis. Finally, the CAISO declined to make changes to the stakeholder comment process for the Assumptions, Needs, and Solutions Meetings to require the CAISO to respond to comments within a specified calendar day window. Establishing an artificial deadline for the CAISO to respond to comments may not allow sufficient time to prepare adequate responses to comments.

Specific to the long-term transmission planning process, the CAISO discussed the process of posting draft and final factors. The CAISO clarified it does not propose to weigh specific benefits or provide specific thresholds for benefits for the purposes of project selection. The CAISO also described the voluntary funding opportunity in additional detail. The CAISO does not intend to utilize cost allocation for these projects, except for any specific proposals that propose partial voluntary funding with ratepayer funding for the remainder. Once a voluntary funding agreement is in place, the CAISO intends to move forward with the project under that agreement. Finally, the CAISO clarified it will continue to discuss implementation details with state agencies, stakeholders and federally recognized Tribes.

The CAISO made three substantive changes in response to stakeholder comments. First, the CAISO revised its proposal to consider selection of a long-term project that meets a “majority of” the seven benefits identified by Order No. 1920. Instead, the CAISO will consider a project for selection if it meets “multiple” benefits. Stakeholders commented that projects may be proposed or planned to maximize certain types of benefits but may not reach the threshold of at least four of seven benefits. Assessing a project based on “multiple” benefits ensures that a project is not selected based on a single benefit and provides the CAISO with the flexibility to consider the most relevant benefits. Second, the CAISO modified the threshold for cost increases triggering reevaluation of a long-term

project from 10 percent above cost estimates to 20 percent above cost estimates. Stakeholders argued the uncertainty of cost estimates for long-term facilities warrants a higher threshold to allow a higher band before automatically triggering a reevaluation. Finally, the CAISO revised its approach to right-sizing a project by adding defined terms from the Commission's Order to clarify this particular opportunity is limited to the Long-Term Regional Transmission Planning process.

Beyond the formal engagement period with Relevant State Entities for the purposes of discussing cost allocation, the CAISO also held regular meetings with staff at California state agencies to discuss proposed compliance with Order No. 1920. These bi-weekly meetings provided a more regular opportunity to discuss specific issues, answer questions, and generally coordinate on the process moving forward. These meetings began in August 2025 and continued through October 2025 in advance of this compliance filing. During these meetings the CAISO received general support from the staff at the state agencies for the overall framework the CAISO proposes for compliance with the Order.

Finally, on November 6, 2025, the CAISO held a meeting open to representatives from California Native American Tribes (Tribes) and their designees to discuss the CAISO's filing. The CAISO scheduled this meeting to help develop relationships and establish more regular channels to engage with Tribal representatives in advance of Order No. 1920 implementation. During the meeting the CAISO described the role of the CAISO in transmission planning, proposed changes related to Order No. 1920 compliance, and a process for establishing meaningful coordination with Tribes.

V. Effective Date and Request for Extended Comment Period

The CAISO requests an effective date for the tariff revision submitted in this filing of February 1, 2027. The CAISO intends to commence implementing the CAISO's proposed tariff revisions subject to any determination or modification by the Commission thereafter and to begin the first cycle of the Long-Term Transmission Planning process in the second quarter of 2027. Additionally, given the time between filing and the requested effective date, the CAISO seeks an extended timeline for intervenors to provide comments in this docket. Given the scope of this compliance filing and recognizing the timing comes at the end of the year, the CAISO respectfully requests the Commission establish January 20, 2026, as the date for comments to allow intervenors sufficient time to review and respond to the filing.

VI. Communications

Pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,²³⁸ the CAISO requests that all correspondence, pleadings, and other communications regarding this filing should be directed to the following:

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VII. Service

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of the filing on the CAISO website.

VIII. Materials Provided in this Compliance Filing

In addition to this transmittal letter, this compliance filing includes:

- | | |
|--------|---|
| Att. A | Clean CAISO tariff sheets incorporating this tariff amendment |
| Att. B | Red-lined document showing the revisions in this tariff amendment |
| Att. C | Informational table that maps proposed CAISO tariff revisions to Order No. 1920 requirements. |

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18 C.F.R. § 385.203(b)(3).

IX. Conclusion

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission find that the CAISO complies with Order No. 1920. The CAISO's proposed tariff revisions in this compliance filing meet the Commission's directives to conduct sufficiently long-term assessments of transmission needs, adequately account for known determinants of Long-Term Regional Transmission Needs, and consider a broader set of benefits of regional transmission facilities. The changes also address the needs of state agencies, local regulatory authorities, and stakeholders to participate in efficient and effective transmission planning processes.

Respectfully submitted,

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Attachment A – Clean Tariff Sheets

Tariff Amendment – Order No. 1920 Compliance Filing

California Independent System Operator Corporation

December 9, 2025

Section 24

24. Comprehensive Transmission Planning Process

24.1 Overview

The CAISO will develop a comprehensive Transmission Plan and approve transmission solutions using the Transmission Planning Process set forth in this Section 24. For purposes of this Section 24, transmission solutions include both entirely new transmission facilities and upgrades or additions to existing transmission facilities that are proposed, considered, and/or specified in the comprehensive Transmission Plan during Phase 2 to meet an identified need determined by the CAISO. The CAISO will consider the use of alternative transmission technologies including dynamic line ratings, advanced power flow control devices, advanced conductors, and transmission switching when evaluating transmission solutions for new regional transmission facilities, upgrades to existing transmission facilities, and Long-Term Regional Transmission Facilities. Alternatives to transmission solutions are referred to as non-transmission solutions. Solutions to meet an identified need can be either transmission solutions or non-transmission solutions. The CAISO will analyze the need for transmission solutions in accordance with the methodologies and criteria set forth in this Section 24, the Transmission Control Agreement, and the applicable Business Practice Manuals. The comprehensive Transmission Plan will identify Merchant Transmission Facilities meeting the requirements for inclusion in the Transmission Plan and transmission solutions needed (1) to maintain System Reliability; (2) to satisfy the requirements of a Location Constrained Resource Interconnection Facility; (3) to maintain the simultaneous feasibility of allocated Long-Term CRRs; (4) as additional components or expansions to LGIP Network Upgrades are identified pursuant to Section 24.4.6.5; (5) to meet state, municipal, county and federal policy requirements and directives, including renewable portfolio standards policies; and (6) to reduce congestion costs, production supply costs, transmission losses, or other electric supply costs resulting from improved access to cost-effective resources.

Beginning in 2027, the CAISO will transition to two complementary transmission planning cycles: (a) a comprehensive transmission plan performed biennially (every two years) with the first biennial comprehensive transmission plan to be issued in 2030; and (b) a Long-Term Regional Transmission Plan performed every four years, with a plan first issued in 2030, and further described in Section 24.11.

Additionally, the CAISO will perform reliability studies in each year a comprehensive Transmission Plan is not issued to ensure continued reliability of the CAISO controlled grid and to comply with Applicable Reliability Criteria, CAISO Planning Standards and state mandated resource adequacy study requirements. This is further described in Section 24.3.3.1. For purposes of this Section 24, when referring to the comprehensive Transmission Planning Process, the term “the year X planning cycle” will refer to the comprehensive Transmission Planning Process initiated during year X-2 to complete a comprehensive Transmission Plan in year X. For purposes of this Section 24, when referring to the Long-Term Regional Transmission Planning process, the term “the year Y planning cycle” will refer to the Long-Term Regional Transmission Planning process initiated during year Y-3 to complete a comprehensive Long-Term Plan in year Y.

24.1.1 Transitional Annual Transmission Plan Unique Procedures

Prior to the first biennial comprehensive Transmission Plan to be issued in 2030, the CAISO will issue a comprehensive Transmission Plan performed on an annual cycle initiated in 2025 and completed in 2026, a comprehensive Transmission Plan performed on an annual cycle initiated in 2026 and completed in 2027 and a final comprehensive transmission plan performed on an annual cycle initiated in 2027 and completed in 2028. For purposes of this Section 24, when referring to the transitional comprehensive Transmission Planning Processes up to and ending with the 2027-2028, the term “the year X/X+1 planning cycle” will refer to the comprehensive Transmission Planning Process initiated during year X to complete a comprehensive Transmission Plan in year X+1. The CAISO will follow the tariff provisions in this Section 24 to perform or otherwise complete remaining phases of these transmission plans, except to the extent the tariff indicates the comprehensive transmission plan will be performed on a biennial basis. These annual Transmission Plans will be performed in accordance with the schedule set forth in the Business Practice Manual. Pursuant to Section 24.3.3.1, the CAISO will also perform reliability studies in 2029 to ensure continued reliability of the CAISO controlled grid and to comply with Applicable Reliability Criteria, CAISO Planning Standards, and state mandated resource adequacy study requirements.

24.1.2 [Not Used]

24.1.3 [Not Used]

24.1.4 [Not Used]

24.2 Nature of the Transmission Planning Process

Beginning in 2027 with the first plan issued in 2030, the CAISO will develop the biennial, comprehensive Transmission Plan and approve transmission upgrades or additions using a Transmission Planning Process with three (3) phases. In Phase 1, the CAISO will develop and complete the Unified Planning Assumptions and Study Plan. In Phase 2, the CAISO will complete the comprehensive Transmission Plan. In Phase 3, the CAISO will evaluate proposals to construct and own certain transmission upgrades or additions specified in the comprehensive Transmission Plan and any eligible projects approved in the Long-Term Regional Planning process. The 2027-2028 Transmission Plan will be the last plan issued in which the first two (2) phases are completed in an annual, rather than biennial, cycle. The Transmission Planning Process shall, at a minimum:

- (a) Coordinate and consolidate in a single plan the transmission needs of the CAISO Balancing Authority Area for maintaining the reliability of the CAISO Controlled Grid in accordance with Applicable Reliability Criteria and CAISO Planning Standards, in a manner that promotes the economic efficiency of the CAISO Controlled Grid and considers federal and state environmental and other policies affecting the provision of Energy;
- (b) Reflect a planning horizon covering a minimum of ten (10) years that considers previously approved transmission upgrades and additions, Demand Forecasts, Demand-side management, capacity forecasts relating to generation technology type, additions and retirements, and such other factors as the CAISO determines are relevant;
- (c) Seek to avoid unnecessary duplication of facilities and ensure the simultaneous feasibility of the CAISO Transmission Plan and the transmission plans of interconnected Balancing Authority Areas, and coordinate with other Planning Regions and interconnected Balancing Authority Areas in accordance with, but not limited to, the Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language in Section 24.18;
- (d) Identify existing and projected limitations of the CAISO Controlled Grid's physical, economic or operational capability or performance and identify transmission upgrades and additions, including any alternative transmission technologies and non-transmission

- alternatives thereto, deemed needed to address the existing and projected limitations;
- (e) Account for any effects on the CAISO Controlled Grid of the interconnection of Generating Units, including an assessment of the deliverability of such Generating Units in a manner consistent with CAISO interconnection procedures;
 - (f) Provide an opportunity for Interregional Transmission Projects submitted to the CAISO as a Relevant Planning Region to be evaluated as potential solutions to CAISO regional transmission needs; and
 - (g) Evaluate projects of entities that have commenced the process to become Subscriber Participating TOs or have initiated related transmission interconnection studies with one or more existing Participating TOs.

24.2.1 [Not Used]

24.2.2 [Not Used]

24.2.3 [Not Used]

24.2.4 [Not Used]

24.3 Comprehensive Transmission Planning Process Phase 1

Phase 1 consists of the development of the Unified Planning Assumptions and Study Plan.

24.3.1 Inputs to the Unified Planning Assumptions and Study Plan

The CAISO will develop Unified Planning Assumptions and a Study Plan using information and data from the approved Transmission Plans developed in the previous planning cycles. The CAISO will consider the following in the development of the Unified Planning Assumptions and Study Plan:

- (a) WECC base cases, as may be modified for the relevant planning horizon;
- (b) Transmission upgrades and additions approved by the CAISO in past Transmission Planning Process cycles, including upgrades and additions which the CAISO has determined address transmission needs in the comprehensive Transmission Plan developed in the previous planning cycle;
- (c) Long-Term Regional Transmission Facilities approved by the CAISO in past Long-Term Planning cycles;
- (d) Category 2 policy-driven transmission upgrades and additions from a prior planning cycle

as described in Section 24.4.6.6;

- (e) Location Constrained Resource Interconnection Facilities conditionally approved under Section 24.4.6.3;
- (f) Network Upgrades that were not otherwise included in the comprehensive Transmission Plan from the previous biennial cycle, and that meet the qualifying criteria described in Section 24.4.6.5;
- (g) Operational solutions validated by the CAISO in the Local Capacity Technical Study under Section 40.3.1;
- (h) Policy requirements and directives, as appropriate, including programs initiated by state, federal, municipal and county regulatory agencies;
- (i) Energy Resource Areas or similar resource areas identified by Local Regulatory Authorities;
- (j) Demand response programs that are proposed for inclusion in the base case or assumptions for the comprehensive Transmission Plan;
- (k) Alternative transmission technologies in addition to generation and other non-transmission alternatives that are proposed for inclusion in planning studies as alternatives to or that incorporate transmission additions or upgrades;
- (l) Beginning with the 2011/2012 planning cycle, Economic Planning Study requests submitted in comments on the draft Unified Planning Assumptions and Study;
- (m) Planned facilities in interconnected Balancing Authority Areas;
- (n) The most recent Annual Interregional Information provided by other Planning Regions;
- (o) Import Capability expansion requests submitted in comments on the draft Unified Planning Assumptions and Study; and
- (p) Subscriber Participating TO transmission facilities, and any generation facilities receiving Subscriber Rights and requesting to interconnect to the CAISO Controlled Grid over Subscriber Participating TO transmission facilities, that have met the following criteria:
 - 1. The Applicant Participating Transmission Owner Agreement has been executed;
 - 2. The generator interconnection agreement with the Subscriber is executed;

3. The Subscriber Participating TO has provided written notice to the CAISO that Construction Activities regarding the Subscriber Participating TO transmission facilities have begun; and
4. Transmission interconnection studies required by the interconnecting Transmission Owner(s) have begun.

* * * * *

24.3.2 Content of the Unified Planning Assumptions and Study Plan

The Unified Planning Assumptions and Study Plan shall, at a minimum, provide:

- (a) The planning data and assumptions to be used in the Transmission Planning Process cycle, including, but not limited to, those related to Demand Forecasts and distribution, potential generation capacity additions and retirements, and transmission system modifications;

* * * * *

- (i) Identification of state or federal, municipal or county requirements or directives that the CAISO will utilize, pursuant to Section 24.4.6.6, to identify policy-driven transmission solutions;
- (j) The status of transmission capacity reservations for long lead-time resources for policy-driven transmission solutions; and
- (k) To the extent the CAISO utilizes the same Study Plan for a coordinated Long-Term Transmission Planning process cycle, the Study Plan will include information on the factors likely to affect Long-Term Regional Transmission Needs as required by Section 24.11.1.4.

24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan

- (a) Beginning with the 2011/2012 planning cycle and in accordance with the schedule set

forth in the Business Practice Manual, the CAISO will provide a comment period during which Market Participants, electric utility regulatory agencies and all other interested parties may submit the following proposals for consideration in the development of the draft Unified Planning Assumptions and Study Plan:

- (i) Demand response programs for inclusion in the base case or assumptions;
 - (ii) Generation and other non-transmission alternatives, consistent with Section 24.3.2(a) proposed as alternatives to transmission solutions; and
 - (iii) State, municipal, county or federal policy requirements or directives.
- (b) Following review of relevant information, including stakeholder comments submitted pursuant to Section 24.3.3(a), the CAISO will prepare and post on the CAISO Website a draft of the Unified Planning Assumptions and Study Plan. The CAISO will issue a Market Notice announcing the availability of such draft, soliciting comments, and scheduling a public conference(s) as required by Section 24.3.3(c);
- (c) No less than one (1) week subsequent to the posting of the draft Unified Planning Assumptions and Study Plan, the CAISO will conduct a minimum of one (1) public meeting open to Market Participants, electric utility regulatory agencies, and other interested parties to review, discuss, and recommend modifications to the draft Unified Planning Assumptions and Study Plan (Assumptions Meeting). Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice. The CAISO will publicly post the meeting materials no fewer than five calendar days prior to any additional meetings to allow time for stakeholders to review materials in advance of each meeting;
- (d) Interested parties will be provided a minimum of two (2) weeks following the first public meeting to provide comments on the draft Unified Planning Assumptions and Study Plan. Such comments may include Economic Planning Study requests based on the comprehensive Transmission Plan from the prior cycle and Import Capability expansion study requests. All comments on the draft Unified Planning Assumptions and the Study

Plan will be posted by the CAISO to the CAISO Website. Interested parties may submit comments in advance of the Assumptions Meeting. The CAISO will respond to questions or comments from stakeholders at the meeting or in later written comments;

- (e) Following the public conference(s), and under the schedule set forth in the Business Practice Manual, the CAISO will determine and publish to the CAISO Website the final Unified Planning Assumptions and Study Plan in accordance with the procedures set forth in the Business Practice Manual. The final Unified Planning Assumptions and Study Plan will include an explanation as to the public policy requirements or directives that were selected for consideration in the current planning cycle as well as the suggested public policy requirements and directives that were not selected for consideration and the reasons therefore. The CAISO will post the base cases to be used in the technical studies to its secured website as soon as possible after the final Unified Planning Assumptions and Study Plan have been published;
- (f) A public policy requirement or directive selected for consideration in a transmission planning cycle will be carried over into subsequent transmission planning cycles unless the ISO determines that such public policy requirement or directive has been eliminated, modified, or is otherwise not applicable or relevant for transmission planning purposes in a current transmission planning cycle. The ISO will post on its website an explanation of any decision not to consider a previously identified public policy requirement or directive from consideration in the current transmission planning process cycle.

24.3.3.1 Updating the Unified Planning Assumptions

The CAISO will review the Unified Planning Assumptions and Study Plan developed for the biennial comprehensive Transmission Plan on an annual basis to determine the need for an update to the Unified Planning Assumptions and Study Plan. In the case that the CAISO determines an update is needed, the CAISO will provide stakeholders an opportunity to comment on and the CAISO will respond to any comments to any updates to the Unified Planning Assumptions and Study Plan pursuant to a schedule outlined in the Business Practice Manual. The CAISO will use the finalized Unified Planning Assumptions and Study Plan, following stakeholder engagement, to perform an interim reliability assessment

consisting of technical assessments to identify whether any reliability needs must be addressed on an expedited basis for compliance with NERC Reliability Standards, Applicable Reliability Criteria, CAISO Planning Standards, other applicable planning standards and other criteria established by the Business Practice Manual. In the off-year in which a comprehensive Transmission Plan is not issued, and if the CAISO identifies transmission upgrades and additions, including any alternative transmission technologies and non-transmission alternatives thereto, deemed needed to address reliability needs prior to the issuance of the next comprehensive Transmission Plan, the CAISO will bring such upgrades and additions to the CAISO Board for approval.

* * * * *

24.4 Transmission Planning Process Phase 2

24.4.1 Conducting Technical Studies

- (a) In accordance with the Unified Planning Assumptions and Study Plan and with the procedures and deadlines in the Business Practice Manual, the CAISO will perform, or direct the performance by third parties of technical studies and other assessments necessary to develop the comprehensive Transmission Plan, including such technical studies and other assessments as are necessary in order to determine Regional Transmission Facilities or other alternatives identified by the CAISO during the Phase 2 studies in the comprehensive Transmission Plan. According to the schedule set forth in the applicable Business Practice Manual, the CAISO will post the preliminary results of its technical studies and proposed mitigation solutions on the CAISO Website. The CAISO's technical study results and mitigation solutions shall be posted not less than one-hundred and twenty (120) days after the final Unified Planning Assumptions and Study Plan are published along with the results of the technical studies conducted by Participating TOs or other third parties at the direction of the CAISO.
- (b) All technical studies, whether performed by the CAISO, the Participating TOs or other third parties under the direction of the CAISO, must utilize the Unified Planning

Assumptions for the particular technical study to the maximum extent practical, and deviations from the Unified Planning Assumptions for the particular technical study must be documented in results of each technical study. The CAISO will measure the results of the studies against Applicable Reliability Criteria, the CAISO Planning Standards, and other criteria established by the Business Practice Manual. After consideration of the comments received on the preliminary results, the CAISO will complete, or direct the completion of, the technical studies and post the final study results on the CAISO Website.

- (c) The CAISO technical study results will identify needs and proposed solutions to meet Applicable Reliability Criteria, CAISO planning standards, and other applicable planning standards. The CAISO and Participating TOs shall coordinate their respective transmission planning responsibilities required for compliance with the NERC Reliability Standards and for the purposes of developing the comprehensive Transmission Plan according to the requirements and time schedules set forth in the Business Practice Manual.

24.4.2 Proposed Reliability Driven Transmission Solutions

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, including alternative transmission technologies described in Section 24.1, 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) 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.

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24.4.5 Determination of Needed Transmission Solutions

To determine which transmission solutions should be included in the comprehensive Transmission Plan, the CAISO will evaluate the conceptual transmission facilities identified by the CAISO during the Phase 2 studies, proposed solutions for reliability-driven needs, LCRIF project proposals, proposals required to maintain the feasibility of long term CRRs, interconnection-related transmission facilities pursuant to Section 24.4.6.5 and the results of Economic Planning Studies or other economic studies the CAISO has performed and will consider potential transmission solutions and non-transmission or generation alternatives proposed by interested parties. In determining which transmission solutions should be included in the comprehensive Transmission Plan the CAISO shall consider the degree to which a Regional Transmission Facility may be substituted for one or more Local Transmission Facilities as a more efficient or cost effective solution to identified needs. The CAISO will consider whether regional facilities that incorporate, or consist solely of, alternative transmission technologies described in Section 24.1, would be more efficient or cost-effective than selecting new facilities or upgrades without them.

24.4.6 Categories of Transmission Solutions

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24.4.6.4 Solutions to Maintain the Feasibility of Long Term CRRs

The CAISO is obligated to ensure the continuing feasibility of Long Term CRRs that are allocated by the CAISO over the length of their terms. In furtherance of this requirement the CAISO shall, as part of its biennial Transmission Planning Process cycle, test and evaluate the simultaneous feasibility of allocated Long Term CRRs, including, but not limited to, when acting on the following types of projects: (a) planned or proposed transmission solutions; (b) Generating Unit or transmission retirements; (c) Generating Unit interconnections; and (d) the interconnection of new Load. Pursuant to such evaluations, the CAISO shall identify the need for any transmission solutions required to ensure the continuing feasibility of allocated Long Term CRRs over the length of their terms and shall publish a Congestion Data Summary along with the results of the CAISO technical studies. In assessing the need for transmission solutions to maintain the feasibility of allocated Long Term CRRs, the CAISO, in coordination with the Participating TOs and other Market Participants, shall consider lower cost alternatives to the construction of

transmission solutions, such as acceleration or expansion of existing transmission solutions; Demand-side management; Remedial Action Schemes; constrained-on Generation; interruptible Loads; reactive support; or in cases where the infeasible Long Term CRRs involve a small magnitude of megawatts, ensuring against the risk of any potential revenue shortfall using the CRR Balancing Account and uplift mechanism described in Section 11.2.4. As part of the CAISO's Transmission Planning Process, the Participating TOs and Market Participants shall provide the necessary assistance and information to the CAISO to allow it to assess and identify transmission solutions that may be necessary under Section 24.4.6.4. The CAISO will determine the solution that meets the identified need to maintain the feasibility of long-term CRRs in the more efficient or cost effective manner.

24.4.6.5 Interconnection-Related Transmission Facilities

Network Upgrades originally identified during the generator interconnection process that are not already included in a signed LGIA may be assessed as Interconnection-Related Transmission Facilities as part of the comprehensive Transmission Plan if these Network Upgrades satisfy the following criteria:

- (a) The Network Upgrades consist of interconnection-related network upgrade(s) with a voltage of 200 kV or above, and have capital costs of \$30 million or greater;
- (b) The CAISO has identified interconnection-related network upgrade(s) in Interconnection Studies in at least two interconnection queue cycles;
- (c) The interconnection request(s) driving the need for the network upgrade(s) in two or more cycles has been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal;
- (d) The CAISO has not identified an interconnection-related network upgrade to address the relevant interconnection-related transmission need in an executed GIA or GIA that the Interconnection Customer requested be filed unexecuted;
- (e) The Interconnection Request withdrawals associated with the repeatedly identified interconnection-related transmission need occurred no earlier than seven calendar years prior to the commencement date of the regional transmission planning and cost allocation cycle.

The CAISO will post a list of the interconnection-related network upgrade(s) eligible for assessment under this section, in the Transmission Planning Process in accordance with the schedule set forth in the applicable Business Practice Manual. Network Upgrades included in the comprehensive Transmission Plan under this section, may include additional components not included in the interconnection-related network upgrade(s) originally identified during the generator interconnection process if the CAISO determines during the Transmission Planning Process that such components are needed under section 24.1. If, through the Transmission Planning Process, the CAISO identifies any additional components of interconnection-related network upgrade(s) that result in the need for other transmission solutions, the responsibility to build and own such transmission solutions will be determined by this Section 24, according to the category of those other transmission solutions.

24.4.6.6 Policy-Driven Transmission Solutions

Once the CAISO has identified reliability-driven solutions, LCRIF projects eligible for conditional or final approval, solutions needed to maintain long-term CRR feasibility, qualified Merchant Transmission Facilities, needed LGIP Network Upgrades as described in Section 24.4.6.5, and Subscriber Participating TO transmission facilities as well as generation facilities seeking to interconnect to the CAISO Controlled Grid on Subscriber Participating TO transmission facilities, the CAISO shall evaluate transmission solutions needed to meet state, municipal, county, or federal policy requirements or directives as specified in the Study Plan pursuant to Section 24.3.2(i). Policy-driven transmission solutions will be either Category 1 or Category 2 transmission solutions. Category 1 transmission solutions are those which under the criteria of this section are found to be needed and are recommended for approval as part of the comprehensive Transmission Plan in the current cycle. Category 2 transmission solutions are those that could be needed to achieve state, municipal, county or federal policy requirements or directives but have not been found to be needed in the current planning cycle based on the criteria set forth in this section. The CAISO will determine the need for, and identify such policy-driven transmission solutions that efficiently and effectively meet applicable policies under alternative resource location and integration assumptions and scenarios, while mitigating the risk of stranded investment. The CAISO will create a

baseline scenario reflecting the assumptions about resource locations that are most likely to occur and one or more reasonable stress scenarios that will be compared to the baseline scenario. Any transmission solutions that are in the baseline scenario and at least a significant percentage of the stress scenarios may be Category 1 transmission solutions. Consistent with the state, federal, municipal or county requirements or directives underlying the Category 1 transmission solution, the Transmission Plan will specify where the CAISO will reserve the transmission capacity created by a Category 1 transmission solution for certain long lead-time resources, and the amount of reserved capacity. The Transmission Plan will specify criteria for eligible resources, including at a minimum, but without limitation: location, MW capacity, generating technology, and expected in-service date. Each Transmission Plan may modify these criteria for policy-driven transmission solutions as needed to meet state, federal, municipal or county requirements or directives.

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24.4.7 Description of Transmission Solutions

The transmission solutions identified in the revised draft and final comprehensive Transmission Plan, or in a supplemental assessment to the final comprehensive Transmission Plan, that are subject to the competitive solicitation process will provide sufficient engineering detail to permit Project Sponsors to submit complete proposals, under section 24.5.1 to build the identified transmission solution. As further described in the Business Practice Manual, such details may include, but are not limited to:

- (a) Minimum Conductor Ampacity;
- (b) Approximate Line impedance required;
- (c) Approximate Series compensation levels;
- (d) Substation bus and breaker configuration;
- (e) Breaker clearing times;
- (f) Transformer characteristics (capacity, impedance, tap range);
- (g) Minimum Shunt capacitor and reactor sizes;
- (h) Minimum FACTS device specifications;

- (i) RAS requirements;
- (j) Planning level cost estimates;
- (k) Projected in-service date;
- (l) Any alternative transmission technologies to be incorporated.

24.4.8 Additional Contents of Comprehensive Transmission Plan

In addition to the detailed descriptions of specific needed transmission additions and upgrades, the draft and final comprehensive Transmission Plan may include: (1) the results of technical studies performed under the Study Plan; (2) determinations and recommendations regarding the need for identified transmission upgrades and additions and their identification as either Local or Regional Transmission Facilities; (3) assessments of transmission upgrades and additions submitted as alternatives to the potential solutions to transmission needs identified by the CAISO and studied during the Transmission Planning Process cycle; (4) results of Economic Planning Studies (except for the 2010/2011 cycle); (5) an update on the status of transmission upgrades or additions previously approved by the CAISO, including identification of mitigation plans, if necessary, to address any potential delay in the anticipated completion of an approved transmission upgrade or addition; (6) a description of transmission additions and upgrades with an estimated capital investment of \$50 million or more for which additional studies are required before being presented to the CAISO Governing Board for approval following completion of the studies; (7) a description of Category 2 transmission upgrades or additions recommended for consideration in future planning cycles; (8) identification of Interregional Transmission Projects that were submitted in the current planning cycle, could potentially meet regional needs, and will be evaluated in the next planning cycle; (9) determinations and recommendations regarding the need for Interregional Transmission Projects that have been evaluated and found to be more cost effective and efficient solutions to regional transmission needs and that satisfy all requirements relevant to meeting such needs. Beginning with plans issued during 2028, the draft and final comprehensive Transmission Plan will include an explanation as to why dynamic line ratings, advanced power flow control devices, advanced conductors, and/or transmission switching were or were not incorporated into selected Regional Transmission Facilities.

24.4.9 Phase 2 Stakeholder Process: Needs Meetings and Solutions Meeting

- (a) According to the schedule and procedures set forth in the Business Practice Manual, and no fewer than 25 calendar days after the Assumptions Meeting, the CAISO will schedule a Needs Meeting consisting of one (1) public meeting after the CAISO technical study results have been posted and Participating TOs have submitted (i) the results of technical studies conducted at the direction of the CAISO (if applicable); and (ii) reliability-driven solutions. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice, and all meeting materials will be posted no fewer than five days in advance of any meeting. Interested parties will be provided a minimum two (2) week period to provide written comments regarding the technical study results and the proposals submitted by the Participating TOs and may submit comments before and after the Needs Meetings. The CAISO will respond to questions or comments from stakeholders.
- (b) The CAISO will schedule at least one (1) other public Needs Meeting before the draft comprehensive Transmission Plan is posted to provide information about any policy-driven transmission solution evaluations or economic planning studies that have been completed since the prior public meeting was held, as well as updated information about any studies or evaluations that are still in progress. Notice of such meeting, web conference or teleconference will be provided to stakeholders via Market Notice.
- (c) In accordance with the schedule and procedures in the Business Practice Manual, but not less than one-hundred and twenty (120) days after the results of the CAISO's technical studies are posted and not less than six (6) weeks after the Request Window closes, the CAISO will post a draft comprehensive Transmission Plan. The CAISO will subsequently conduct a public conference, or Solutions Meeting, regarding the draft comprehensive Transmission Plan and solicit comments, consistent with the timelines and procedures set forth in the Business Practice Manual. Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice and such notice shall be posted to the CAISO Website. All meeting materials will be posted no fewer than

five days in advance of any meeting. Stakeholders will have the opportunity to submit comments before and after each meeting. After consideration of comments, the CAISO will post the revised draft comprehensive Transmission Plan to the CAISO Website.

24.4.10 Transmission Plan Approval Process

The revised draft comprehensive Transmission Plan, along with the stakeholder comments, will be presented to the CAISO Governing Board for consideration and approval. Upon approval of the plan, all needed transmission additions and upgrades, and Interregional Transmission Projects, net of all transmission and non-transmission alternatives considered in developing the comprehensive Transmission Plan, will be deemed approved by the CAISO Governing Board. Following Governing Board approval, the CAISO will post the final comprehensive Transmission Plan to the CAISO Website. In years in which no comprehensive Transmission Plan is issued as part of the regular biennial process, the CAISO may bring projects more urgently needed to address reliability issues to the CAISO Governing Board, following the process described in Section 24.3.3.1. According to the schedule set forth in the Business Practice Manual, transmission upgrades and additions with capital costs of \$50 million or less can be approved by CAISO management and Subscriber Participating TO transmission facilities, provided the CAISO Governing Board has already approved the Subscriber Participating TO as a Participating TO or conditional Participating TO, may proceed to permitting and construction prior to Governing Board approval of the plan. Such CAISO management approved transmission solutions may be subject to a competitive solicitation process, consistent with Section 24.5, on an accelerated schedule that will allow the approved Project Sponsor to proceed to permitting and construction prior to Governing Board approval of the plan. CAISO management may also expedite approval of a transmission solution ahead of the approval schedule for other solutions with capital costs of \$50 million or less if: (1) there is an urgent need for approval of the solution ahead of the schedule established in the Business Practice Manual; (2) there is a high degree of certainty that approval of the upgrade or addition will not conflict with other solutions being considered in Phase 2; and (3) the need to accelerate a solution is driven by the CAISO's study process or by external circumstances. Should the CAISO find that a transmission solution with capital of \$50 million or less is needed on an expedited basis, after a stakeholder consultation process, CAISO management shall brief the Governing Board at a regularly-scheduled or special public

session prior to approving the solution and conducting the competitive solicitation, if appropriate. A Participating Transmission Owner will have the responsibility to construct, own, finance and maintain any Local Transmission Facility deemed needed under this section 24 that is located entirely within such Participating Transmission Owner's PTO Service Territory or footprint. The provisions of Section 24.5 will apply to a Regional Transmission Facility deemed needed under this section 24. Section 24.5 will also apply to any transmission upgrades or additions that are associated with both Regional Transmission Facilities and Local Transmission Facilities but for which the CAISO determines that it is not reasonable to divide construction responsibility among multiple Project Sponsors. Construction and ownership of a selected Interregional Transmission Project shall be determined in accordance in Section 24.17.3.

24.5 Transmission Planning Process Phase 3

24.5.1 Competitive Solicitation Process

According to the schedule set forth in the Business Practice Manual, in the month following the CAISO Governing Board's approval of the comprehensive Transmission Plan, or a supplemental assessment to the final comprehensive Transmission Plan, whichever is applicable, the CAISO will initiate a period of at least ten (10) weeks that will provide an opportunity for Project Sponsors to submit specific proposals to finance, own, and construct the Regional Transmission Facilities and any Long-Term Regional Transmission Facilities subject to competitive solicitation identified in the comprehensive Transmission Plan or supplemental assessment, interim reliability assessment, or Long-Term Regional Transmission Plan. If the transmission solution adopted in Phase 2 involves an upgrade or improvement to, addition on, or a replacement of a part of an existing Participating TO facility, the Participating TO will construct and own such upgrade, improvement, addition or replacement facilities unless a Project Sponsor and the Participating TO agree to a different arrangement. For Regional Transmission Facilities with capital costs of \$50 million or less that were approved by CAISO management before Governing Board approval of the comprehensive Transmission Plan, the ten week period will be initiated following management approval of the facility, and the Project Sponsor selection process may follow an accelerated schedule described in the Business Practice Manual. Such proposals must include plan of service details and supporting information as set forth in the Business Practice Manual sufficient to: (1) enable the CAISO to determine whether the Project Sponsor meets the qualification criteria specified in section 24.5.3.1; (2) enable the

CAISO to determine whether a Project Sponsor's proposal meets the proposal qualification criteria in section 24.5.3.2; and (3) enable the CAISO, if there are multiple qualified Project Sponsors bidding on the same Regional Transmission Facility or Long-Term Regional Transmission Facility, to conduct a comparative analysis of the proposals and Project Sponsors and select an Approved Project Sponsor as described in section 24.5.3.5. The project proposal will identify the authorized governmental body from which the Project Sponsor will seek siting approval for the project.

Within 30 days after the CAISO posts the revised draft comprehensive Transmission Plan, a supplemental assessment to the final comprehensive Transmission Plan, interim reliability assessment, or Long-Term Regional Transmission plan to its website, whichever is applicable, for each Regional Transmission Facility or Long-Term Regional Transmission Facility identified in the applicable plan or assessment that is subject to competitive solicitation, the CAISO will post, for informational purposes only, those existing qualification criteria and selection factors, in addition to any binding cost containment commitments, which the CAISO believes are key for purposes of selecting an Approved Project Sponsor for the particular transmission solution, consistent with the comparative analysis described in section 24.5.4 and the project sponsor qualification and selection criteria specified in sections 24.5.3.1 and 24.5.4, respectively. The posting of such key criteria is solely intended to provide information to Project Sponsors to assist them in the preparation of their applications and to highlight specific topics to which particular attention should be paid in the application given their importance in connection with a particular Regional Transmission Facility or Long-Term Regional Transmission Facility. The posting of the key selection criteria is not a replacement or substitute for the qualification and selection criteria set forth in sections 24.5.3.1 and 24.5.4, and in its comparative analysis conducted in accordance with section 24.5.4, the CAISO is required to comparatively assess all of the qualification and selection criteria, not just those listed as key selection criteria. In its posting of the key selection criteria, the CAISO cannot add new or different criteria than those already specified in sections 24.5.3.1 and 24.5.4. To determine the key criteria for each transmission solution subject to competitive solicitation, the CAISO will consider: (1) the nature, scope and urgency of the need for the transmission solution; (2) expected severity of siting or permitting challenges; (3) the size of the transmission solution, potential financial risk associated with the transmission solution, expected capital cost magnitude, cost overrun likelihood and the ability of the

Project Sponsor to contain costs; (4) the degree of permitting, rights-of-way, construction, operation and maintenance difficulty; (5) risks associated with the construction, operation and maintenance of the transmission solution ; (6) technical and engineering design difficulty or whether specific expertise in design or construction is required; (7) special circumstances or difficulty associated with topography, terrain or configuration; (8) specific facility technologies or materials associated with the transmission solution; (9) binding cost containment measures, including cost caps; (10) abandonment risk; and (11) whether the overall cost of the transmission solution impacts the CAISO's prior determination of, and inclusion in, the applicable transmission plan of the more efficient or cost effective solution during Phase 2 of the transmission planning process or in the Long-Term Regional Transmission Planning process. The posting of the key selection criteria shall not undermine the CAISO's prior determination in Phase 2 of the transmission planning process or the Long-Term Regional Transmission Planning process of the more efficient or cost-effective transmission solution to be reflected in the comprehensive Transmission Plan or the Long-Term Regional Transmission Plan, nor shall the posting of the key criteria replace or be inconsistent with the CAISO's obligation under section 24.5.4 to undertake a comparative analysis of each Project Sponsor with respect to each Project Sponsor qualification and selection criterion. If the CAISO determines in Phase 2 of the transmission planning process or in the Long-Term Regional Transmission Planning process that more than one transmission solution could constitute the more efficient or cost-effective solution to meet a specific identified need depending on the outcome of the competitive solicitation, the CAISO shall have the authority to identify more than one potential transmission solution in the comprehensive Transmission Plan or in the Long-Term Regional Transmission Plan. Under those circumstances, based on the outcome of the competitive solicitation, the CAISO will make the final determination of which alternative transmission solution identified in the Board-approved comprehensive Transmission Plan or the Long-Term Regional Transmission Plan constitutes the more efficient or cost-effective transmission solution to be selected for construction.

24.5.2 Project Sponsor Application and Information Requirements

All project sponsors must submit a Project Sponsor application form as set forth in the Business Practice Manual and posted on the CAISO website. Any entity may submit a Project Sponsor application to finance, construct, own, operate and maintain a transmission solution identified in the applicable

transmission plan or assessment subject to the competitive solicitation process. There is no requirement that a Project Sponsor first be qualified before it may submit a Project Sponsor application for such a transmission solution.

24.5.2.1 Opportunity for Collaboration

Any entity interested in collaborating with another entity may notify the CAISO of such interest within two weeks after the CAISO opens the competitive solicitation window for a specified Regional Transmission Facility or Long-Term Regional Transmission Facility. The CAISO will post a list of entities interested in collaborating and their contact information on the CAISO website. Prior notice to the CAISO is not a prerequisite for a Project Sponsor to submit an application, including a joint application, to finance, own, construct, operate, and maintain a Regional Transmission Facility or Long-Term Regional Transmission Facility under Section 24.5. All Project Sponsors, including collaborating Project Sponsors, must submit an application prior to the close of the competitive solicitation window.

24.5.2.2

A Project Sponsor will provide to the CAISO, Participating TOs (as listed on Appendix F to the Transmission Control Agreement), and Approved Project Sponsors a copy of all initial filings it submits in a FERC docket that affect the rates (including the Transmission Revenue Requirement), terms, or conditions of service for any Regional Transmission Facility or Long-Term Regional Transmission Facility that is the subject of an ongoing competitive solicitation process under this section 24.5. The Project Sponsor will provide such copy either via email or first class U.S. mail on the same day it makes the filing with FERC; provided that if the copy is sent via U.S. mail, the Project Sponsor will satisfy the requirement if it places the copy in the mail on the date of filing. The CAISO will post the contact information for Approved Project Sponsors on the CAISO website.

24.5.2.3 Project Sponsor Information Requirements

The application to be submitted to the CAISO by an entity desiring to become an Approved Project Sponsor shall include the following general information (as well as related details) in response to the questions on the application form:

- (a) The following information:
 - (i) A proposed financial plan demonstrating that adequate capital resources are

available to the Project Sponsor to finance the transmission solution, and that constructing, operating and maintaining the facilities will not significantly impair the Project Sponsor's creditworthiness or financial condition;

- (ii) A showing from the Project Sponsor's most recent audited financial statements that the Project Sponsor's assets are in excess of liabilities as a percentage of the total cost of the transmission solution;
 - (iii) Financial funding ratios from the most recent audited financial statements;
 - (iv) Credit arrangements between affiliated entities, including corporate parent, and compliance with regulatory restrictions and requirements; and
 - (v) Bankruptcy, dissolution, merger or acquisition history;
- (b) The credit rating from Moody's Investor Services and Standard & Poors of the Project Sponsor, or its parent company, controlling shareholder, or any other entity providing a bond guaranty or corporate commitment to the Project Sponsor;
 - (c) Information showing the Project Sponsor's ability to assume liability for major losses resulting from failure of, or damage to, the transmission facility, including damage after the facility has been placed into operation;
 - (d) The project in-service date of each transmission solution with a construction plan and timetable;
 - (e) A description of the Project Sponsor's proposed engineering, construction, maintenance and management teams, including relevant capability and experience;
 - (f) A description of the Project Sponsor's resources for operating and maintaining the transmission solution after it is placed in-service;
 - (g) A discussion of the capability and experience of the Project Sponsor that would enable it to comply with all on-going scheduling, operating, and maintenance activities required for each transmission solution, including those required by the tariff, business practice manuals, policies, rules, guidelines, and procedures established by the CAISO;
 - (h) Resumes for all key management personnel, including contractors, that will be involved in obtaining siting approval and other required regulatory approvals and for constructing,

operating and maintaining each transmission solution;

- (i) A description of the Project Sponsor's business practices that demonstrate consistency with Good Utility Practice for proper licensing, designing and right-of-way acquisition for constructing, operating and maintaining transmission solutions that will become part of the CAISO Controlled Grid;
- (j) The Project Sponsor's previous record regarding construction, operation and maintenance of transmission facilities within and outside the CAISO Controlled Grid;
- (k) The Project Sponsor's pre-existing procedures and practices for acquiring and managing right of way and other land for transmission facility, or, in the absence of preexisting procedures or practices, a detailed description of its plan for right of way and other land acquisition;
- (l) A description of existing rights of way or substations upon which all or a portion of the transmission facility can be located and incremental costs, if any, that would be incurred in connection with placing new or additional facilities associated with the transmission solution on such existing rights of way;
- (m) The Project Sponsor's preexisting practices or procedures for mitigating the impact of the transmission solution on affected landowners and for addressing public concerns regarding facilities associated with the transmission solution. In the absence of such preexisting practices or procedures, the Project Sponsor shall provide a detailed plan for mitigating such impacts and addressing public concerns;
- (n) A description of the following and any related or relevant information regarding:
 - (i) the proposed structure and composition, conductor size and type;
 - (ii) the proposed route and rights of way; and
 - (iii) a plan for topography issues;
- (o) Cost containment capabilities and cost cap, if any;
- (p) Description of the Project Sponsor's plan for complying with standardized maintenance and operation practices and all applicable reliability standards;
- (q) Any other strengths and advantages that the Project Sponsor and its team may have to

build and own the transmission solution, as well as any specific efficiencies or benefits demonstrated in its Project Sponsor proposal, including the potential use of alternative transmission technologies; and

- (r) The authorized government body from which the Project Sponsor will seek siting approval for the transmission solution and the authority of the selected siting authority to impose binding cost caps or cost containment measures on the Project Sponsor, as well as its history of imposing such measures.

Additional details about the information that must be submitted is set forth in the Business Practice Manual and on the application form. On the CAISO's request, the Project Sponsor will provide additional information that the CAISO reasonably determines is necessary to conduct its qualification and selection evaluation with respect to the particular transmission solutions that are subject to competitive solicitation.

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24.5.3 Project Sponsor and Proposal Qualifications

24.5.3.1 Project Sponsor Qualifications

After posting the list of information-sufficient applications and, if applicable, after the conclusion of any applicable collaboration process under Section 24.5.2.2, the CAISO will evaluate the information submitted by each Project Sponsor in response to the questions on the application pertaining to sections 24.5.2.1(a)-(i) to determine whether the Project Sponsor has demonstrated that its team is physically, technically, and financially capable of (i) completing the needed transmission solution in a timely and competent manner; and (ii) operating and maintaining the transmission solution in a manner that is consistent with Good Utility Practice and applicable reliability criteria for the life of the project, based on the following qualification criteria:

- (a) whether the Project Sponsor has demonstrated that it has assembled, or has a plan to assemble, a sufficiently-sized team with the manpower, equipment, knowledge and skill required to undertake the design, construction, operation and maintenance of the transmission solution;

- (b) whether the Project Sponsor and its team have demonstrated that they have sufficient financial resources, by providing information including, but not limited to, satisfactory credit ratings, audited financial statements, or other financial indicators;
- (c) whether the Project Sponsor and its team have demonstrated the ability to assume liability for major losses resulting from failure of any part of the facilities associated with the transmission solution by providing information such as letters of credit, letters of interest from financial institutions regarding financial commitment to support the Project Sponsor, insurance policies or the ability to obtain insurance to cover such losses, the use of account set asides or accumulated funds, the revenues earned from the transmission solution, sufficient credit ratings, contingency financing, or other evidence showing sufficient financial ability to cover these losses in the normal course of business;
- (d) whether the Project Sponsor has (1) proposed a schedule for development and completion of the transmission solution consistent with need date identified by the CAISO; and (2) has the ability to meet that schedule;
- (e) whether the Project Sponsor and its team have the necessary technical and engineering qualifications and experience to undertake the design, construction, operation and maintenance of the transmission solution;
- (f) whether the Project Sponsor makes a commitment to become a Participating TO for the purpose of turning the Regional Transmission Facility or Long-Term Regional Transmission Facility that the Project Sponsor is selected to construct and own as a result of the competitive solicitation process over to the ISO's Operational Control , to enter into the Transmission Control Agreement with respect to the transmission solution, to adhere to all Applicable Reliability Criteria and to comply with NERC registration requirements and NERC and WECC standards, where applicable.

If the CAISO determines that a Project Sponsor meets these criteria, it shall be deemed a qualified Project Sponsor.

24.5.3.2 Proposal Qualification

After evaluating the Project Sponsor's qualifications as described in section 24.5.3.1, the ISO will

determine whether the transmission solution proposed by a Project Sponsor is qualified for consideration, based on the following criteria:

- (a) Whether the proposed design of the transmission solution is consistent with needs identified in the applicable transmission plan;
- (b) Whether the proposed design of the transmission solution satisfies Applicable Reliability Criteria and CAISO Planning Standards;

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24.8.5 Obligation to Provide Updated Information

If material changes to the information provided under Sections 24.8 occur during the biennial Transmission Planning Process, the providers of the information must provide notice to the CAISO of the changes.

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24.11 Long-Term Planning

As part of the regional transmission planning process, the CAISO shall conduct Long-Term Regional Transmission Planning. The CAISO will commence a Long-Term Regional Transmission Planning cycle every four years and will determine whether to select any facilities no later than three years from the date when each Long-Term Regional Transmission Planning cycle began. In accordance with the specific schedule outlined in the Business Practice Manual, the CAISO generally will, in year one, develop the scenarios, in years two and three, evaluate the scenarios, and in year three determine whether to select any facilities. The Long-Term Regional Transmission Planning process shall, at a minimum:

- (a) Utilize a base case consistent with the base case developed for the comprehensive Transmission Planning Process as one of the Long-Term Scenarios, which the CAISO determines is the most likely scenario to occur.
- (b) Reflect a planning horizon covering a minimum of twenty (20) years.

- (c) Identify Long-Term Regional Transmission Needs and Long-Term Regional Transmission Facilities to meet those needs through the development of Long-Term Scenarios.
- (d) Develop and use a minimum of three Long-Term Scenarios utilizing factors in the categories of factors to consider in consultation with stakeholders.
- (e) Disclose the methodology, criteria, assumptions, data and other information that underlie transmission plans, including Long-Term Scenarios.
- (f) Measure the required seven benefits and use those measured benefits to evaluate Long-Term Regional Transmission Facilities.
- (g) Use selection criteria that provide the opportunity for CAISO to select Long-Term Regional Transmission Facilities in the regional transmission plan for purposes of cost allocation that more efficiently or cost-effectively address Long-Term Regional Transmission Needs.
- (h) Allow incumbent and nonincumbent transmission developers to utilize the regional cost allocation methodology outlined in Section 24.14.
- (i) Provide an opportunity for Relevant State Entities and interconnection customers to voluntarily fund any projects not selected.
- (j) Provide an opportunity for Interregional Transmission Projects submitted to the CAISO as a Relevant Planning Region to be evaluated as potential solutions to CAISO Long-Term Regional Transmission Needs pursuant to Section 24.18.

24.11.1 Development of Long-Term Scenarios

24.11.1.1 Input Factor Categories

The CAISO will identify and use factors in the following categories to determine the assumptions that will be used in the development of Long-Term Scenarios:

- (a) Federal, federally-recognized Tribal, state, and local laws and regulations affecting the resource mix and demand.
- (b) Federal, federally-recognized Tribal, state, and local laws and regulations on decarbonization and electrification.

- (c) State-approved integrated resource plans and expected supply obligations for load-serving entities.
- (d) Trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies.
- (e) Resource retirements, including likely resource retirements beyond those that have been publicly announced.
- (f) Generator interconnection requests and withdrawals.
- (g) Utility commitments and federal, federally-recognized Tribal, state, and local policy goals that affect Long-Term Regional Transmission Needs.

24.11.1.2 Accounting for Factors

In the development of the Long-Term Scenarios, the CAISO will account for the factors that it has determined are likely to affect Long-Term Regional Transmission Needs and will make a determination as to how that factor is likely to affect Long-Term Regional Transmission Needs.

The CAISO will use each factor individually or collectively to determine the assumptions that will be used in the development of the Long-Term Scenarios that will result in plausible and diverse Long-Term Scenarios. In developing the Long-Term Scenarios, the CAISO may generalize how all of the discrete factors in a single category of factors will, in aggregate, affect the development of the Long-Term Scenarios. The CAISO will only utilize factors which it determines are likely to have a measurable effect on Long-Term Regional Transmission Needs. Where factors may have overlapping effects on the planning assumptions, the CAISO will avoid double counting the effect that those factors have on assumptions used to develop Long-Term Scenarios. Where there is overlap between categories (a)-(c) and (d)-(g), or a factor could be considered in a category in the first three or the second four, the CAISO will consider it in the appropriate category (a)-(c).

For categories of factors listed in 24.11.1.1(a)-(c), the CAISO will assume that legally binding obligations are followed, state-approved integrated resource plans are followed, and expected supply obligations for load-serving entities are fully met. The CAISO will account for and be consistent with, and not discount, factors in the first three categories. When the CAISO determines that a factor that is based on state's law, regulation, or policy, is likely to affect needs, the CAISO will rely on the state in determining

how to account for such a state-related factor.

For categories of factors listed in 24.11.1.1(d)-(g) the CAISO will use discretion in how to account for each factor and may put more weight on the factor by modeling more than the projected change in some or all Long-Term Scenarios to reflect the CAISO's view regarding the likelihood that the anticipated effects on Long-Term Regional Transmission Needs due to that factor will occur.

24.11.1.3 Stakeholder Input – Factors to be Used in Long-Term Scenarios

- (a) In accordance with the schedule set forth in the Business Practice Manual, the CAISO will provide stakeholders, states, and federally-recognized Tribes with a meaningful opportunity to propose factors for consideration, provide information and identify sources of best available data, propose how a factor may affect Long-Term Regional Transmission Needs, and explain how that factor could be reflected in the development of Long-Term Scenarios, including the extent to which it is appropriate to discount the effects of certain factors on Long-Term Regional Transmission Needs. The CAISO will provide a comment period of at least four weeks during which stakeholders, states, and federally-recognized Tribes may submit proposals for consideration in the development of the factors under the categories of factors included in Section 24.11.1.2. Stakeholders, states, and federally-recognized Tribes may also propose which future outcomes are probable and can be captured through assumptions made in the development of Long-Term Scenarios.
- (b) Following review of relevant information, including comments submitted pursuant to Section 24.11.1.3(a), the CAISO will prepare and post on the CAISO Website a draft of the factors to be used in the development of the Long-Term Scenarios and a description of how they will be utilized. The CAISO will issue a Market Notice announcing the availability of such draft, soliciting comments, and scheduling a public conference(s) as required by Section 24.11.1.3(c).
- (c) No less than one (1) week subsequent to the posting of the draft factors, the CAISO will conduct a minimum of one (1) public meeting open to all to review, discuss, and recommend modifications to the draft factors. Additional meetings, web conferences, or

teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice.

- (d) Interested parties will be provided a minimum of two (2) weeks following the first public meeting to provide additional comments on the draft factors. All comments on the draft factors will be posted by the CAISO to the CAISO Website.
- (e) The CAISO will determine and publish to the CAISO Website the final factors pursuant to Section 24.11.1.4 and how the CAISO will account for each specific factor in accordance with the procedures set forth in the Business Practice Manual.

24.11.1.4 Posting of Factors

Following the public meeting(s) described in Section 24.11.1.3, and under the schedule set forth in the Business Practice Manual, the CAISO will publish on CAISO Website: (1) the list of factors in each of the seven required categories the CAISO will account for in each of its Long-Term Scenarios; (2) a description of each factor the CAISO will account for; (3) a general statement explaining how the CAISO will account for each of those factors; (4) a description of the extent to which the CAISO will discount any factors in factor categories (d)-(g) in any of the Long-Term Scenarios; and (5) list of factors the CAISO considered but did not incorporate. These factors will inform the study plan applicable to the Long-Term Transmission Planning process cycle. The study plan, to the extent the CAISO chooses to issue a separate study plan for the Long-Term Transmission Planning process in any cycle, will additionally include the requirements identified in Section 24.3.2 to the extent applicable to conducting the Long-Term Transmission Planning process.

24.11.1.5 Specificity of Data Inputs

The CAISO will use best available data inputs that correspond to the factors likely to affect Long-Term Regional Transmission Needs and when developing Long-Term Scenarios. Such data inputs are timely, developed using best practices and diverse and expert perspectives, and adopted in consultation with stakeholders under Section 24.11.1.3. Data inputs will be updated, as necessary, each time the CAISO reassesses and revises its Long-Term Scenarios.

The CAISO will publicly disclose, subject to any applicable confidentiality protections, information and data inputs that the CAISO will use to create each Long-Term Scenario.

24.11.1.6 Sensitivities for High-Impact, Low-Frequency Events

The CAISO will develop at least one sensitivity, applied to each Long-Term Scenario when performing the evaluation assessments, to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission Outages due to an extreme weather event across a wide area.

The CAISO may develop additional sensitivities to account for other high-impact, low frequency events as the CAISO deems necessary.

24.11.2 Measurement of Benefits

The CAISO's Long-Term Regional Transmission Plan will measure and use the following seven benefits for any transmission projects identified by the CAISO, for use in the evaluation of Long-Term Scenarios as described in Section 24.11.3. The CAISO will calculate the benefits of Long-Term Regional Transmission Facilities over a time horizon that covers, at a minimum, 20 years starting from the estimated in-service date of the transmission facilities. In the case that the CAISO estimates the costs of any Long-Term Regional Transmission Facility beyond the in-service date of the transmission facilities, the CAISO will estimate those future costs over the same time horizon as the estimated benefits. The seven benefits to be measured and used are:

1. Reduced costs of avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities. The CAISO will measure this benefit as the reduction in investment costs due to avoided or deferred reliability transmission facilities and aging infrastructure.
2. Either (a) reduced loss of load probability, defined as the reduced frequency of loss of load events by providing additional pathways for connecting generation resources with load (if planning reserve margin is constant), or (b) reduced planning reserve margin (PRM), defined as a benefit of reduced capital cost of generation needed to meet resource adequacy requirements while holding loss of load probabilities constant. The CAISO will measure this benefit as either the reduction in frequency of loss of load events or the reduction in planning reserve margins while holding loss of load probabilities constant. The CAISO will determine which approach will be measured

during the Long-Term Regional Planning process consistent with its Long-Term Regional Transmission Need(s), but will not measure both simultaneously.

3. Reduction in production costs, including savings in fuel and other variable operating costs of power generation, that are realized when transmission facilities allow for the increased dispatch of suppliers that have lower incremental costs of production, displacing higher-cost supplies as well as reduction in market prices as lower-cost suppliers set market clearing prices. The CAISO will measure this benefit as the reduction in production costs using production cost modeling simulations.
4. Reduced total energy necessary to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to loads. The CAISO will measure this benefit as the reduction in the amount of total energy and transmission energy losses incurred in transmittal of power from generation to loads using production cost modeling simulations.
5. Reduced production costs during transmission Outages that significantly increase transmission congestion. The CAISO will measure this benefit as the reduction in congestion costs during transmission outages that significantly increase transmission congestion using production cost modeling simulations.
6. Reduced production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased Interregional Transfer Capability, during extreme weather events and unexpected system conditions, such as unusual weather conditions or fuel shortages that result in multiple concurrent and sustained generation and/or transmission outages. The CAISO will account for circumstances that contribute to these events that are specific to the CAISO planning region. The CAISO will measure this benefit as reduced production costs, and loss of load, and increase in interregional transfer capability during extreme weather events and unexpected system conditions. The CAISO will account for mitigation of unexpected system conditions during periods when transmission facilities have particularly high value, not only during extreme weather events.

7. Reduced energy losses during peak load reduces generation capacity investment needed to meet the peak load and transmission losses. The CAISO will measure this benefit as reduction in generation capacity investment due to reduced energy losses during peak load.

24.11.3 Evaluation of Long-Term Scenarios

The CAISO's evaluation process and selection criteria aim to ensure the more efficient or cost-effective Long-Term Regional Transmission Facilities are selected to address needs. The CAISO will identify one or more transmission facilities that addresses each identified need.

In accordance with the study plan and with the procedures and schedules in the Business Practice Manual, the CAISO will perform assessments necessary to evaluate scenarios and sensitivities developed in accordance with section 24.11.1 for its Long-Term Regional Transmission Plan and determine the need for Long Term Regional Transmission Facilities. According to the schedule set forth in the applicable Business Practice Manual, the CAISO will post the preliminary results of its assessments on the CAISO Website. The CAISO's preliminary assessment results shall be posted not less than one-hundred and twenty (120) days after the factors are published.

Determination of transmission solutions to be included in the Long-Term Regional Transmission Plan will be based on the CAISO's assessments, consideration of potential transmission solutions and non-transmission or generation alternatives proposed by stakeholders, coordination with Participating Transmission Owners including identifying opportunities for right-sizing replacement transmission facilities in accordance with section 24.11.3.2, measurement of benefits in accordance with section 24.11.2 and selection criteria in accordance with section 24.11.3.3.

24.11.3.1 Stakeholder Proposals for Transmission Solutions

As part of the CAISO's Long-Term Regional Transmission Planning evaluation process and in accordance with the schedule set forth in the applicable Business Practice Manual, nonincumbent developers will be given the opportunity to propose transmission facilities following the publication of the CAISO's preliminary assessment results on the CAISO Website in accordance with section 24.11.3.

24.11.3.2 Opportunities to Right-Size Replacement Transmission Facilities

As part of the Long-Term Regional Transmission Planning evaluation process, the CAISO will evaluate

whether facilities (1) operating at or above 200 kV, and (2) that the Participating Transmission Owner that owns the facility anticipates replacing in-kind with a new transmission facility during the next ten years can be “right-sized” to more efficiently or cost-effectively address a Long-Term Transmission Need. The CAISO and Participating TOs will coordinate on any such existing facilities following the publication of the CAISO’s preliminary assessment results on the CAISO website in accordance with section 24.11.3. Any proposed Right-Sized Replacement Transmission Facility will be evaluated in the same manner as any other proposed Long-Term Regional Transmission Facility.

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. The CAISO will identify at least one facility to meet each need, but is not required to select any facility. In order for the CAISO to consider a facility for selection the facility must:

- (a) have measurable benefits across the multiple of the seven categories of benefits in at least one scenario in accordance with section 24.11.2; and
- (b) 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.

24.11.4 Selection of Long-Term Regional Facilities and Conclusion of Long-Term Planning Cycle

No later than three years following the beginning of the planning cycle and in accordance with the schedule set forth in the applicable Business Practice Manual, the CAISO will determine whether to select or not select identified facilities based on the selection criteria in Section 24.11.3. Such selection will take place only after proposals submitted pursuant to Section 24.11.3.1 and 24.11.3.2 are

considered. The CAISO will post on the CAISO Website the specific determinations explaining why each identified facility was or was not selected. Simultaneous with the posting of the final determinations, the CAISO will include in a Market Notice a notice triggering the start of the voluntary funding opportunity open window, consistent with Section 24.11.5.1. The conclusion of that open window and, if applicable, the memorialization of any proposal for voluntary funding will conclude the Long-Term Regional Transmission Planning cycle.

With the exception of Right-Sized Replacement Transmission Facilities which will be subject to a federal right of first refusal, Long-Term Regional Transmission Facilities will be eligible for competitive solicitation. Consistent with the alignment schedule, projects eligible for competitive solicitation will go through the Phase 3 process in Section 24.5.

24.11.5 Cost Allocation for Long-Term Regional Transmission Solutions

Cost responsibility for transmission additions or upgrades selected in the Long-Term Regional Transmission Planning process will be determined pursuant to Section 24.14. Transmission developers selected, whether incumbent or nonincumbent, will be eligible to use the applicable cost allocation method.

24.11.5.1 Voluntary Funding Opportunity

Relevant State Entities and Interconnection Customers will have the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet the CAISO's selection criteria. After the final selection of facilities is published pursuant to 24.11.4, entities interested in pursuing a voluntary funding opportunity may propose to the CAISO a framework for a specific facility during the two months following notice. The CAISO will evaluate whether the proposal reduces the cost of the facility to CAISO ratepayers and eliminates other deficiencies in the CAISO's original benefits evaluation in order to meet the selection criteria identified in Section 24.11.3.3. To the extent that the proposal allows the facility to meet the selection criteria, the CAISO may, but is not required to, move forward with seeking CAISO Governing Board approval for any such project and proposal.

In order to move forward, the voluntary funding proposal must mitigate all operational concerns identified by the CAISO to the satisfaction of the CAISO. To ensure that the funding parties are financially able to

pay the construction and operating costs of the facility, the CAISO may require (1) a demonstration of creditworthiness (e.g., an appropriate credit rating), or (2) sufficient security in the form of an unconditional and irrevocable letter of credit or other similar security sufficient to meet its responsibilities and obligations for the proposed partial or full costs of the facility.

The CAISO and the funding parties will memorialize the proposal through the execution of an agreement between the CAISO and the funding parties. Pursuing voluntary funding does not automatically confer any particular rights or preferences to the funding parties beyond those awarded to a Project Sponsor for a Merchant Transmission Facility pursuant to Section 24.14.3. Any such proposed rights must be included in any proposal for the CAISO to consider in its evaluation.

24.11.6 Reevaluation of Selected Long-Term Transmission Facilities

Under specific circumstances and utilizing the specific criteria outlined in Section 24.11.6, the CAISO will reevaluate specific facilities that were previously selected in the Long-Term Regional Transmission Planning cycle until the date at which substantial procurement must take place to meet the requested in-service date for that particular facility, to be specifically memorialized in any Approved Project Sponsor Agreement or similar agreement, after which the facilities will no longer be subject to reevaluation.

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% or more; 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.

In order to determine when one of these three situations occurs, thereby triggering the reevaluation, the

CAISO will monitor the development activities of each Long-Term Regional Transmission Facility, including but not limited to, by requiring quarterly reports from developers of such facilities to determine if:

- (1) the project is experiencing delays which will result in the inability to meet the requested in-service date, in which case the CAISO will evaluate whether this delay jeopardizes the CAISO's ability to meet reliability needs or reliability-related service obligations prior to triggering a reevaluation; or
- (2) actual or projected costs exceed estimated costs by 20%; or
- (3) the CAISO becomes aware of a significant change in federal, federally-recognized Tribal, state, or local laws or regulations, in which case the CAISO will evaluate whether such change in law or regulation causes reasonable concern that a previously selected facility may no longer meet the selection criteria prior to triggering a reevaluation.

The CAISO will not reevaluate any selected facility on basis of significant changes in laws or regulations unless during the planning cycle in which the facility was selected, the facility's targeted in-service date was in the latter half of the 20-year planning horizon.

24.11.6.2 Process for Reevaluation

Consistent with Long-Term Regional Transmission Planning evaluation, the reevaluation will seek to maximize benefits accounting for costs over time without over-building transmission facilities.

Reevaluation on the basis of project delays, cost increases or significant changes in laws or regulations will be part of a subsequent cycle and will take into account not only any updated costs of the facility but also updated benefits. Depending on the degree to which the project no longer meets the selection criteria or delays are due to the transmission developer, the CAISO may impose a mitigation plan, reassign the project, modify the facility, or remove the facility from the plan. If the CAISO finds that the project continues to meet selection criteria and any delays do not have a significant impact on meeting identified Long-Term Needs, the CAISO will take no action.

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24.14 Cost Responsibility for Transmission Additions or Upgrades

Cost responsibility for transmission additions or upgrades constructed pursuant to this Section 24 shall be determined pursuant to this Section 24.14. To the extent that the CAISO seeks to change this methodology in the future as it relates to Long-Term Regional Transmission Facilities, the CAISO will consult with Relevant State Entities prior to amending the cost responsibility methodology. For consultation initiated by the CAISO, the CAISO will document publicly on the CAISO website the results of its consultation with Relevant State Entities prior to filing any amendment. Relevant State Entities may seek for the CAISO to amend this cost responsibility method as related to Long-Term Regional Transmission Facilities, in which case the CAISO will consult with such Relevant State Entities.

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24.18 Order 1000 Common Interregional Tariff

24.18.1 Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, the CAISO will make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in the CAISO's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments);
- (iii) regional transmission plan; and
- (iv) information regarding Long-Term Regional Transmission Needs:
 - (a) the Long-Term Regional Transmission Needs discussed in the interregional

- transmission coordination meetings;
- (b) any interregional transmission facilities proposed or identified in response to Long-Term Regional Transmission Needs;
- (c) the voltage level, estimated cost, and estimated in-service date of the interregional transmission facilities proposed or identified as part of Long-Term Regional Transmission Planning;
- (d) the results of any cost-benefit evaluation of such interregional transmission facilities, with such results including both any overall benefits identified (which may occur across multiple transmission planning regions), as well as any benefits particular to each transmission planning region; and
- (e) the interregional transmission facilities, if any, selected to meet Long-Term Regional Transmission Needs.

(collectively referred to as “Annual Interregional Information”).

The CAISO will post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process the CAISO's Annual Interregional Information. The CAISO may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions. The CAISO is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by the CAISO in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if the CAISO reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by the CAISO shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under the CAISO's regional transmission planning process.

24.18.2 Annual Interregional Coordination Meeting

The CAISO will participate in an Annual Interregional Coordination Meeting with the other Planning Regions. The CAISO will host the Annual Interregional Coordination Meeting in turn with the other

Planning Regions, and is to seek to convene such meeting in February, but not later than June 30th. The Annual Interregional Coordination Meeting is to be open to stakeholders. The CAISO will provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CFI or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs or Long-Term Regional Transmission Needs in each of two or more Planning Regions more cost effectively or efficiently;
- (iii) updates of the status of ITPs being evaluated or previously included in the CAISO's comprehensive transmission plan; and
- (iv) information regarding respective Long-Term Regional Transmission Needs as well as Long-Term Regional Transmission Facilities to meet those needs.

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24.18.3.2 Joint Evaluation of an Interregional Transmission Project

For each Interregional Transmission Project that meets the requirements of Section 24.18.3.1, the CAISO (if it is a Relevant Planning Region) will participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the Interregional Transmission Project's submittal in accordance with Section 24.18.3.1, or the immediately following calendar year. With respect to any such Interregional Transmission Project, the CAISO (if it is a Relevant Planning Region) will confer with the other Relevant Planning Region(s) regarding the following:

- (i) Interregional Transmission Project data and projected Interregional Transmission Project costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the Interregional Transmission Project pursuant to its regional transmission planning process.

For each Interregional Transmission Project that meets the requirements of Section 24.18.3.1, the CAISO (if it is a Relevant Planning Region):

- (a) will seek to resolve any differences it has with the other Relevant Planning Regions relating to the Interregional Transmission Project or to information specific to other Relevant Planning Regions insofar as such differences may affect the CAISO's evaluation of the Interregional Transmission Project;
- (b) will provide stakeholders an opportunity to participate in the CAISO's activities under this Section 24.18.3.2 in accordance with its regional transmission planning process and the Long-Term Regional Transmission Planning process;
- (c) will notify the other Relevant Planning Regions if the CAISO determines that the Interregional Transmission Project will not meet any of its regional transmission needs or Long-Term Regional Transmission Needs; thereafter the CAISO has no obligation under this Section 24.18.3.2 to participate in the joint evaluation of the Interregional Transmission Project; and
- (d) will determine under its regional transmission planning process if such Interregional Transmission Project is a more cost effective or efficient solution to one or more of the CAISO's regional transmission needs.

* * * * *

Appendix A

New Definitions

- Assumptions Meeting

As part of the comprehensive Transmission Planning Process, a stakeholder meeting to review the criteria, assumptions, and models related to local and regional transmission planning.

- In-Kind Replacement Transmission Facility

For purposes of the right-sizing reform, a new transmission facility that: (1) would replace an existing

transmission facility that the transmission provider has identified in its required 10-year in-kind replacement estimate as needing to be replaced; (2) would result in no more than incidental increase in capacity over the existing transmission facility identified as needed to be replaced; and (3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced.

- Long-Term Regional Transmission Facility

Regional transmission facility that is identified as part of Long-Term Regional Transmission Planning to address Long-Term Regional Transmission Needs.

- Long-Term Regional Transmission Need(s)

Transmission needs identified through Long-Term Regional Transmission Planning by, among other things, running scenarios and considering the enumerated categories of factors.

- Long-Term Regional Transmission Plan

The report prepared by the CAISO, pursuant to Section 24, which documents the outcome of the Long-Term Regional Transmission Planning Process as defined in the Study Plan.

- Long-Term Regional Transmission Planning

Regional transmission planning on a 20 year, forward-looking, and comprehensive basis to identify Long-Term Regional Transmission Needs, identify transmission facilities that meet such needs, measure the benefits of those transmission facilities, and evaluate those transmission facilities for potential selection in the regional transmission plan for purposes of cost allocation as the more efficient or cost-effective regional transmission facilities to meet Long-Term Regional Transmission Needs.

- Long-Term Scenarios

Scenarios that incorporate various assumptions using best available data inputs about the future electric power system over a sufficiently long-term, forward-looking transmission planning horizon to identify Long-Term Regional Transmission Needs and enable the identification and evaluation of transmission facilities to meet such transmission needs.

- Needs Meeting

As part of the comprehensive Transmission Planning Process a stakeholder meeting to review identified reliability criteria violations and other transmission needs that drive the need for local or regional

transmission facilities.

- Relevant State Entity

Any state entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by the law of such state.

- Right-Sized Replacement Transmission Facility

A new transmission facility selected in the Long-Term Transmission Planning Process that (1) would meet the need to replace an existing transmission facility that a transmission provider has identified in its in-kind replacement estimate as one that it plans to replace with an In-Kind Replacement Transmission Facility while also addressing a long-term need; (2) results in more than incidental increase in the capacity of an existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of the existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate.

- Solutions Meeting

As part of the comprehensive Transmission Planning Process, a stakeholder meeting to review potential solutions to reliability criteria violations and other transmission needs.

Changes to existing tariff definitions

Redlines represent proposed changes from existing Appendix A

- Regional Transmission Facility

A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the CAISO Operational Control, and that is not (1) a Local Transmission Facility or a Location Constrained Resource Interconnection Facility, and supporting facilities, (2) a Long-Term Regional Transmission Facility, or (3) a Merchant Transmission Facility.

- Study Plan

The plan to be developed pursuant to Section 24.3.1, which sets forth the technical studies to be performed during the Transmission Planning Process.

- Transmission Plan

The report prepared by the CAISO on annual basis, or on a biennial basis (every two years) starting in 2028, pursuant to Section 24, which documents the outcome of the comprehensive Transmission Planning Process as defined in the Study Plan.

- Unified Planning Assumptions

The assumptions to be developed pursuant to Section 24.3.1 and used, to the maximum extent possible, in performing technical studies identified in the Study Plan as part of the Transmission Planning Process.

Attachment B – Red-Lined Tariff Sheets
Tariff Amendment – Order No. 1920 Compliance Filing
California Independent System Operator Corporation
December 9, 2025

Section 24

24. Comprehensive Transmission Planning Process

24.1 Overview

The CAISO will develop a comprehensive Transmission Plan and approve transmission solutions using the Transmission Planning Process set forth in this Section 24. For purposes of this Section 24, transmission solutions include both entirely new transmission facilities and upgrades or additions to existing transmission facilities that are proposed, considered, and/or specified in the comprehensive Transmission Plan during Phase 2 to meet an identified need determined by the CAISO. The CAISO will consider the use of alternative transmission technologies including dynamic line ratings, advanced power flow control devices, advanced conductors, and transmission switching when evaluating transmission solutions for new regional transmission facilities, upgrades to existing transmission facilities, and Long-Term Regional Transmission Facilities. Alternatives to transmission solutions are referred to as non-transmission solutions. Solutions to meet an identified need can be either transmission solutions or non-transmission solutions. The CAISO will analyze the need for transmission solutions in accordance with the methodologies and criteria set forth in this Section 24, the Transmission Control Agreement, and the applicable Business Practice Manuals. The comprehensive Transmission Plan will identify Merchant Transmission Facilities meeting the requirements for inclusion in the Transmission Plan and transmission solutions needed (1) to maintain System Reliability; (2) to satisfy the requirements of a Location Constrained Resource Interconnection Facility; (3) to maintain the simultaneous feasibility of allocated Long-Term CRRs; (4) as additional components or expansions to LGIP Network Upgrades are identified pursuant to Section 24.4.6.5; (5) to meet state, municipal, county and federal policy requirements and directives, including renewable portfolio standards policies; and (6) to reduce congestion costs, production supply costs, transmission losses, or other electric supply costs resulting from improved access to cost-effective resources.

Beginning in 2027, the CAISO will transition to two complementary transmission planning cycles: (a) a comprehensive transmission plan performed biennially (every two years) with the first biennial comprehensive transmission plan to be issued in 2030; and (b) a Long-Term Regional Transmission Plan performed every four years, with a plan first issued in 2030, and further described in Section 24.11.

Additionally, the CAISO will perform reliability studies in each year a comprehensive Transmission Plan is not issued to ensure continued reliability of the CAISO controlled grid and to comply with Applicable Reliability Criteria, CAISO Planning Standards and state mandated resource adequacy study requirements. This is further described in Section 24.3.3.1. For purposes of this Section 24, when referring to the comprehensive Transmission Planning Process, the term “the year X~~(X+1)~~ planning cycle” will refer to the comprehensive Transmission Planning Process initiated during year X-2 to complete a comprehensive Transmission Plan in year X+1. For purposes of this Section 24, when referring to the Long-Term Regional Transmission Planning process, the term “the year Y planning cycle” will refer to the Long-Term Regional Transmission Planning process initiated during year Y-3 to complete a comprehensive Long-Term Plan in year Y.

24.1.1 ~~[Not Used]~~ Transitional Annual Transmission Plan Unique Procedures

Prior to the first biennial comprehensive Transmission Plan to be issued in 2030, the CAISO will issue a comprehensive Transmission Plan performed on an annual cycle initiated in 2025 and completed in 2026, a comprehensive Transmission Plan performed on an annual cycle initiated in 2026 and completed in 2027 and a final comprehensive transmission plan performed on an annual cycle initiated in 2027 and completed in 2028. For purposes of this Section 24, when referring to the transitional comprehensive Transmission Planning Processes up to and ending with the 2027-2028, the term “the year X/X+1 planning cycle” will refer to the comprehensive Transmission Planning Process initiated during year X to complete a comprehensive Transmission Plan in year X+1. The CAISO will follow the tariff provisions in this Section 24 to perform or otherwise complete remaining phases of these transmission plans, except to the extent the tariff indicates the comprehensive transmission plan will be performed on a biennial basis. These annual Transmission Plans will be performed in accordance with the schedule set forth in the Business Practice Manual. Pursuant to Section 24.3.3.1, the CAISO will also perform reliability studies in 2029 to ensure continued reliability of the CAISO controlled grid and to comply with Applicable Reliability Criteria, CAISO Planning Standards, and state mandated resource adequacy study requirements.

24.1.2 [Not Used]

24.1.3 [Not Used]

24.1.4 [Not Used]

24.2 Nature of the Transmission Planning Process

Beginning in 2027 with the first plan issued in 2030, tThe CAISO will develop the biennial~~annual~~, comprehensive Transmission Plan and approve transmission upgrades or additions using a Transmission Planning Process with three (3) phases. In Phase 1, the CAISO will develop and complete the Unified Planning Assumptions and Study Plan. In Phase 2, the CAISO will complete the comprehensive Transmission Plan. In Phase 3, the CAISO will evaluate proposals to construct and own certain transmission upgrades or additions specified in the comprehensive Transmission Plan and any eligible projects approved in the Long-Term Regional Planning process. The 2027-2028 Transmission Plan will be the last plan issued in which the first two (2) phases are completed in an annual, rather than biennial, cycle. The Transmission Planning Process shall, at a minimum:

- (a) Coordinate and consolidate in a single plan the transmission needs of the CAISO Balancing Authority Area for maintaining the reliability of the CAISO Controlled Grid in accordance with Applicable Reliability Criteria and CAISO Planning Standards, in a manner that promotes the economic efficiency of the CAISO Controlled Grid and considers federal and state environmental and other policies affecting the provision of Energy;
- (b) Reflect a planning horizon covering a minimum of ten (10) years that considers previously approved transmission upgrades and additions, Demand Forecasts, Demand-side management, capacity forecasts relating to generation technology type, additions and retirements, and such other factors as the CAISO determines are relevant;
- (c) Seek to avoid unnecessary duplication of facilities and ensure the simultaneous feasibility of the CAISO Transmission Plan and the transmission plans of interconnected Balancing Authority Areas, and coordinate with other Planning Regions and interconnected Balancing Authority Areas in accordance with, but not limited to, the Order 1000 Common Interregional Coordination and Cost Allocation Tariff Language in Section 24.18;
- (d) Identify existing and projected limitations of the CAISO Controlled Grid's physical, economic or operational capability or performance and identify transmission upgrades and additions, including any alternative transmission technologies and non-transmission

- alternatives thereto, deemed needed to address the existing and projected limitations;
- (e) Account for any effects on the CAISO Controlled Grid of the interconnection of Generating Units, including an assessment of the deliverability of such Generating Units in a manner consistent with CAISO interconnection procedures;
 - (f) Provide an opportunity for Interregional Transmission Projects submitted to the CAISO as a Relevant Planning Region to be evaluated as potential solutions to CAISO regional transmission needs; and
 - (g) Evaluate projects of entities that have commenced the process to become Subscriber Participating TOs or have initiated related transmission interconnection studies with one or more existing Participating TOs.

24.2.1 [Not Used]

24.2.2 [Not Used]

24.2.3 [Not Used]

24.2.4 [Not Used]

24.3 Comprehensive Transmission Planning Process Phase 1

Phase 1 consists of the development of the Unified Planning Assumptions and Study Plan.

24.3.1 Inputs to the Unified Planning Assumptions and Study Plan

The CAISO will develop Unified Planning Assumptions and a Study Plan using information and data from the approved Transmission Plans^s developed in the previous planning cycles^s. The CAISO will consider the following in the development of the Unified Planning Assumptions and Study Plan:

- (a) WECC base cases, as may be modified for the relevant planning horizon;
- (b) Transmission upgrades and additions approved by the CAISO in past Transmission Planning Process cycles, including upgrades and additions which the CAISO has determined address transmission needs in the comprehensive Transmission Plan developed in the previous planning cycle;
- (c) Long-Term Regional Transmission Facilities approved by the CAISO in past Long-Term Planning cycles;
- (~~d~~e) Category 2 policy-driven transmission upgrades and additions from a prior planning cycle

as described in Section 24.4.6.6;

- (ed) Location Constrained Resource Interconnection Facilities conditionally approved under Section 24.4.6.3;
- (fe) Network Upgrades ~~identified pursuant to Section 25 and Appendices S, T, U, V, W, Y, Z, BB, CC, DD, EE, and FF~~ that were not otherwise included in the comprehensive Transmission Plan from the previous ~~biennial~~ annual cycle, and; that meet the qualifying criteria described in Section 24.4.6.5;
- (gf) Operational solutions validated by the CAISO in the Local Capacity Technical Study under Section 40.3.1;
- (hg) Policy requirements and directives, as appropriate, including programs initiated by state, federal, municipal and county regulatory agencies;
- (ih) Energy Resource Areas or similar resource areas identified by Local Regulatory Authorities;
- (ji) Demand response programs that are proposed for inclusion in the base case or assumptions for the comprehensive Transmission Plan;
- (kj) Alternative transmission technologies in addition to ~~Generation-generation~~ and other non-transmission alternatives that are proposed for inclusion in ~~long-term~~ planning studies as alternatives to or that incorporate transmission additions or upgrades;
- (lk) Beginning with the 2011/2012 planning cycle, Economic Planning Study requests submitted in comments on the draft Unified Planning Assumptions and Study;
- (ml) Planned facilities in interconnected Balancing Authority Areas;
- (nm) The most recent Annual Interregional Information provided by other Planning Regions;
- (on) Import Capability expansion requests submitted in comments on the draft Unified Planning Assumptions and Study; and
- (pe) Subscriber Participating TO transmission facilities, and any generation facilities receiving Subscriber Rights and requesting to interconnect to the CAISO Controlled Grid over Subscriber Participating TO transmission facilities, that have met the following criteria:
 - 1. The Applicant Participating Transmission Owner Agreement has been executed;

2. The generator interconnection agreement with the Subscriber is executed;
3. The Subscriber Participating TO has provided written notice to the CAISO that Construction Activities regarding the Subscriber Participating TO transmission facilities have begun; and
4. Transmission interconnection studies required by the interconnecting Transmission Owner(s) have begun.

* * * * *

24.3.2 Content of the Unified Planning Assumptions and Study Plan

The Unified Planning Assumptions and Study Plan shall, at a minimum, provide:

- (a) The planning data and assumptions to be used in the Transmission Planning Process cycle, including, but not limited to, those related to Demand Forecasts and distribution, potential generation capacity additions and retirements, and transmission system modifications;

* * * * *

- (i) Identification of state or federal, municipal or county requirements or directives that the CAISO will utilize, pursuant to Section 24.4.6.6, to identify policy-driven transmission solutions; ~~and~~
- (j) The status of transmission capacity reservations for long lead-time resources for policy-driven transmission solutions; ~~and-~~
- (k) To the extent the CAISO utilizes the same Study Plan for a coordinated Long-Term Transmission Planning process cycle, the Study Plan will include information on the factors likely to affect Long-Term Regional Transmission Needs as required by Section 24.11.1.4.

24.3.3 Stakeholder Input – Unified Planning Assumptions/Study Plan

- (a) Beginning with the 2011/2012 planning cycle and in accordance with the schedule set forth in the Business Practice Manual, the CAISO will provide a comment period during which Market Participants, electric utility regulatory agencies and all other interested parties may submit the following proposals for consideration in the development of the draft Unified Planning Assumptions and Study Plan:
- (i) Demand response programs for inclusion in the base case or assumptions;
 - (ii) Generation and other non-transmission alternatives, consistent with Section 24.3.2(a) proposed as alternatives to transmission solutions; and
 - (iii) State, municipal, county or federal policy requirements or directives.
- (b) Following review of relevant information, including stakeholder comments submitted pursuant to Section 24.3.3(a), the CAISO will prepare and post on the CAISO Website a draft of the Unified Planning Assumptions and Study Plan. The CAISO will issue a Market Notice announcing the availability of such draft, soliciting comments, and scheduling a public conference(s) as required by Section 24.3.3(c);
- (c) No less than one (1) week subsequent to the posting of the draft Unified Planning Assumptions and Study Plan, the CAISO will conduct a minimum of one (1) public meeting open to Market Participants, electric utility regulatory agencies, and other interested parties to review, discuss, and recommend modifications to the draft Unified Planning Assumptions and Study Plan (Assumptions Meeting). Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice. The CAISO will publicly post the meeting materials no fewer than five calendar days prior to any additional meetings to allow time for stakeholders to review materials in advance of each meeting;
- (d) Interested parties will be provided a minimum of two (2) weeks following the first public meeting to provide comments on the draft Unified Planning Assumptions and Study Plan. Such comments may include Economic Planning Study requests based on the comprehensive Transmission Plan from the prior cycle and Import Capability expansion

study requests. All comments on the draft Unified Planning Assumptions and the Study Plan will be posted by the CAISO to the CAISO Website. Interested parties may submit comments in advance of the Assumptions Meeting. The CAISO will respond to questions or comments from stakeholders at the meeting or in later written comments;

- (e) Following the public conference(s), and under the schedule set forth in the Business Practice Manual, the CAISO will determine and publish to the CAISO Website the final Unified Planning Assumptions and Study Plan in accordance with the procedures set forth in the Business Practice Manual. The final Unified Planning Assumptions and Study Plan will include an explanation as to the public policy requirements or directives that were selected for consideration in the current planning cycle as well as the suggested public policy requirements and directives that were not selected for consideration and the reasons therefore. The CAISO will post the base cases to be used in the technical studies to its secured website as soon as possible after the final Unified Planning Assumptions and Study Plan have been published;
- (f) A public policy requirement or directive selected for consideration in a transmission planning cycle will be carried over into subsequent transmission planning cycles unless the ISO determines that such public policy requirement or directive has been eliminated, modified, or is otherwise not applicable or relevant for transmission planning purposes in a current transmission planning cycle. The ISO will post on its website an explanation of any decision not to consider a previously identified public policy requirement or directive from consideration in the current transmission planning process cycle.

24.3.3.1 Updating the Unified Planning Assumptions

The CAISO will review the Unified Planning Assumptions and Study Plan developed for the biennial comprehensive Transmission Plan on an annual basis to determine the need for an update to the Unified Planning Assumptions and Study Plan. In the case that the CAISO determines an update is needed, the CAISO will provide stakeholders an opportunity to comment on and the CAISO will respond to any comments to any updates to the Unified Planning Assumptions and Study Plan pursuant to a schedule outlined in the Business Practice Manual. The CAISO will use the finalized Unified Planning Assumptions

and Study Plan, following stakeholder engagement, to perform an interim reliability assessment consisting of technical assessments to identify whether any reliability needs must be addressed on an expedited basis for compliance with NERC Reliability Standards, Applicable Reliability Criteria, CAISO Planning Standards, other applicable planning standards and other criteria established by the Business Practice Manual. In the off-year in which a comprehensive Transmission Plan is not issued, and if the CAISO identifies transmission upgrades and additions, including any alternative transmission technologies and non-transmission alternatives thereto, deemed needed to address reliability needs prior to the issuance of the next comprehensive Transmission Plan, the CAISO will bring such upgrades and additions to the CAISO Board for approval.

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24.4 Transmission Planning Process Phase 2

24.4.1 Conducting Technical Studies

- (a) In accordance with the Unified Planning Assumptions and Study Plan and with the procedures and deadlines in the Business Practice Manual, the CAISO will perform, or direct the performance by third parties of technical studies and other assessments necessary to develop the comprehensive Transmission Plan, including such technical studies and other assessments as are necessary in order to determine Regional Transmission Facilities or other alternatives identified by the CAISO during the Phase 2 studies in the comprehensive Transmission Plan. According to the schedule set forth in the applicable Business Practice Manual, the CAISO will post the preliminary results of its technical studies and proposed mitigation solutions on the CAISO Website. The CAISO's technical study results and mitigation solutions shall be posted not less than one-hundred and twenty (120) days after the final Unified Planning Assumptions and Study Plan are published, along with the results of the technical studies conducted by Participating TOs or other third parties at the direction of the CAISO.
- (b) All technical studies, whether performed by the CAISO, the Participating TOs or other

third parties under the direction of the CAISO, must utilize the Unified Planning Assumptions for the particular technical study to the maximum extent practical, and deviations from the Unified Planning Assumptions for the particular technical study must be documented in results of each technical study. The CAISO will measure the results of the studies against Applicable Reliability Criteria, the CAISO Planning Standards, and other criteria established by the Business Practice Manual. After consideration of the comments received on the preliminary results, the CAISO will complete, or direct the completion of, the technical studies and post the final study results on the CAISO Website.

- (c) The CAISO technical study results will identify needs and proposed solutions to meet Applicable Reliability Criteria, CAISO planning standards, and other applicable planning standards. The CAISO and Participating TOs shall coordinate their respective transmission planning responsibilities required for compliance with the NERC Reliability Standards and for the purposes of developing the comprehensive annual Transmission Plan according to the requirements and time schedules set forth in the Business Practice Manual.

24.4.2 Proposed Reliability Driven Transmission Solutions

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, including alternative transmission technologies described in Section 24.1, 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) 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.

* * * * *

24.4.5 Determination of Needed Transmission Solutions

To determine which transmission solutions should be included in the comprehensive Transmission Plan, the CAISO will evaluate the conceptual transmission facilities identified by the CAISO during the Phase 2 studies, proposed solutions for reliability-driven needs, LCRIF project proposals, proposals required to maintain the feasibility of long term CRRs, interconnection-related transmission facilities pursuant to Section proposed Network Upgrades pursuant to Section 24.4.6.5 and the results of Economic Planning Studies or other economic studies the CAISO has performed and will consider potential transmission solutions and non-transmission or generation alternatives proposed by interested parties. In determining which transmission solutions should be included in the comprehensive Transmission Plan the CAISO shall consider the degree to which a Regional Transmission Facility may be substituted for one or more Local Transmission Facilities as a more efficient or cost effective solution to identified needs. The CAISO will consider whether regional facilities that incorporate, or consist solely of, alternative transmission technologies described in Section 24.1, would be more efficient or cost-effective than selecting new facilities or upgrades without them.

24.4.6 Categories of Transmission Solutions

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24.4.6.4 Solutions to Maintain the Feasibility of Long Term CRRs

The CAISO is obligated to ensure the continuing feasibility of Long Term CRRs that are allocated by the CAISO over the length of their terms. In furtherance of this requirement the CAISO shall, as part of its biennialannual Transmission Planning Process cycle, test and evaluate the simultaneous feasibility of allocated Long Term CRRs, including, but not limited to, when acting on the following types of projects: (a) planned or proposed transmission solutions; (b) Generating Unit or transmission retirements; (c) Generating Unit interconnections; and (d) the interconnection of new Load. Pursuant to such evaluations, the CAISO shall identify the need for any transmission solutions required to ensure the continuing feasibility of allocated Long Term CRRs over the length of their terms and shall publish a Congestion Data Summary along with the results of the CAISO technical studies. In assessing the need for

transmission solutions to maintain the feasibility of allocated Long Term CRRs, the CAISO, in coordination with the Participating TOs and other Market Participants, shall consider lower cost alternatives to the construction of transmission solutions, such as acceleration or expansion of existing transmission solutions; Demand-side management; Remedial Action Schemes; constrained-on Generation; interruptible Loads; reactive support; or in cases where the infeasible Long Term CRRs involve a small magnitude of megawatts, ensuring against the risk of any potential revenue shortfall using the CRR Balancing Account and uplift mechanism described in Section 11.2.4. As part of the CAISO's Transmission Planning Process, the Participating TOs and Market Participants shall provide the necessary assistance and information to the CAISO to allow it to assess and identify transmission solutions that may be necessary under Section 24.4.6.4. The CAISO will determine the solution that meets the identified need to maintain the feasibility of long-term CRRs in the more efficient or cost effective manner.

24.4.6.5 ~~LGIP~~ Interconnection-Related Transmission Facilities Network Upgrades

~~Beginning with the 2011/2012 planning cycle,~~ Network Upgrades originally identified during the generator interconnection process the Phase II Interconnection Study or Interconnection Facilities Study Process of the Large Generation Interconnection Process as set forth in Section 7 of Appendix Y that are not already included in a signed LGIA may be assessed as Interconnection-Related Transmission Facilities as part of the comprehensive Transmission Plan if these Network Upgrades satisfy the following criteria:

- (a) The Network Upgrades consist of ~~new transmission lines~~ interconnection-related network upgrade(s) with a voltage of 200 kV or above, and have capital costs of ~~\$100-30~~ million or greater;
- (b) The CAISO has identified interconnection-related network upgrade(s) in Interconnection Studies in at least two interconnection queue cycles;
- (c) The interconnection request(s) driving the need for the network upgrade(s) in two or more cycles has been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal;
- (d) The CAISO has not identified an interconnection-related network upgrade to address the

relevant interconnection-related transmission need in an executed GIA or GIA that the Interconnection Customer requested be filed unexecuted;

- (e) The Interconnection Request withdrawals associated with the repeatedly identified interconnection-related transmission need occurred no earlier than seven calendar years prior to the commencement date of the regional transmission planning and cost allocation cycle.

~~The Network Upgrade is a new 500-kV substation that has capital costs of \$100 million or greater;~~

~~or~~

- ~~(c) The Network Upgrades have a capital cost of \$200 million or more.~~

The CAISO will post a list of the interconnection-related network upgrade(s) eligible for assessment under this section, in the Transmission Planning Process in accordance with the schedule set forth in the applicable Business Practice Manual. Network Upgrades included in the comprehensive Transmission Plan under this section, may include additional components not included in the interconnection-related network upgrade(s) originally identified during the generator interconnection process if the CAISO determines during the Transmission Planning Process that such components are needed under section 24.1. If, through the Transmission Planning Process, the CAISO identifies any additional components of interconnection-related network upgrade(s) that result in the need for other transmission solutions, the responsibility to build and own such transmission solutions will be determined by this Section 24, according to the category of those other transmission solutions.

~~The CAISO will post a list of the Network Upgrades eligible for assessment in the Transmission Planning Process in accordance with the schedule set forth in the applicable Business Practice Manual. Network Upgrades included in the comprehensive Transmission Plan may include additional components not included in the Network Upgrades originally identified during the Phase II Interconnection Study or may be expansions of the Network Upgrades originally identified during the Phase II Interconnection Study if the CAISO determines during the Transmission Planning Process that such components or expansions are needed under section 24.1. Network Upgrades identified in the LGIP Phase II studies but not assessed in the Transmission Planning Process will be included in Large Generator Interconnection~~

~~Agreements, as appropriate. Network Upgrades assessed in the Transmission Planning Process but not modified or replaced will be included in Large Generator Interconnection Agreements, as appropriate. Construction and ownership of Network Upgrades specified in the comprehensive Transmission Plan under this section, including any needed additional components or expansions, will be the responsibility of the Participating TO if the Phase II studies identified the original Network Upgrade as needed and such Network Upgrade has not yet been set forth in an executed Large Generator Interconnection Agreement. To the extent that additional components or expansions to Network Upgrades remain the responsibility of the Participating TO and such Network Upgrades are subsequently abandoned, the Participating TO shall be presumed to be eligible, subject to prudence and any other applicable review by FERC, to include in its TRR the costs of such Network Upgrades if the costs attributable to the abandonment of such Network Upgrades (as modified, replaced or otherwise reconfigured in the Transmission Planning Process) exceed the amounts funded by Interconnection Customers pursuant to Appendix Y. This presumption shall not apply in the case of Network Upgrades which the applicable Participating TO agreed to up-front fund independent of any obligation to fund pursuant to the Transmission Planning Process. If, through the Transmission Planning Process, the CAISO identifies any additional components or expansions of Network Upgrades that result in the need for other transmission solutions, the responsibility to build and own such transmission solutions will be determined by this Section 24, according to the category of those other transmission solutions. Any decision in the Transmission Planning Process to modify Network Upgrades identified in the Large Generator Interconnection Process will not increase the cost responsibility of the Interconnection Customer as described in Appendix Y, Section 7. Category 1 policy-driven transmission solutions identified under Section 24.4.6.7 could supplant the need for LGIP Network Upgrades that would be developed in subsequent Generator Interconnection Process cycles. To the extent that a Category 1 policy-driven transmission solution eliminates or downsizes the need for a Network Upgrade, the Interconnection Customer's cost responsibility for such Network Upgrade shall be eliminated or reduced. Any financial security posting shall be adjusted accordingly.~~

24.4.6.6 Policy-Driven Transmission Solutions

Once the CAISO has identified reliability-driven solutions, LCRIF projects eligible for conditional or final approval, solutions needed to maintain long-term CRR feasibility, qualified Merchant Transmission

Facilities, needed LGIP Network Upgrades as described in Section 24.4.6.5, and Subscriber Participating TO transmission facilities as well as generation facilities seeking to interconnect to the CAISO Controlled Grid on Subscriber Participating TO transmission facilities, the CAISO shall evaluate transmission solutions needed to meet state, municipal, county, or federal policy requirements or directives as specified in the Study Plan pursuant to Section 24.3.2(i). Policy-driven transmission solutions will be either Category 1 or Category 2 transmission solutions. Category 1 transmission solutions are those which under the criteria of this section are found to be needed and are recommended for approval as part of the comprehensive Transmission Plan in the current cycle. Category 2 transmission solutions are those that could be needed to achieve state, municipal, county or federal policy requirements or directives but have not been found to be needed in the current planning cycle based on the criteria set forth in this section. The CAISO will determine the need for, and identify such policy-driven transmission solutions that efficiently and effectively meet applicable policies under alternative resource location and integration assumptions and scenarios, while mitigating the risk of stranded investment. The CAISO will create a baseline scenario reflecting the assumptions about resource locations that are most likely to occur and one or more reasonable stress scenarios that will be compared to the baseline scenario. Any transmission solutions that are in the baseline scenario and at least a significant percentage of the stress scenarios may be Category 1 transmission solutions. Consistent with the state, federal, municipal or county requirements or directives underlying the Category 1 transmission solution, the Transmission Plan will specify where the CAISO will reserve the transmission capacity created by a Category 1 transmission solution for certain long lead-time resources, and the amount of reserved capacity. The Transmission Plan will specify criteria for eligible resources, including at a minimum, but without limitation: location, MW capacity, generating technology, and expected in-service date. Each Transmission Plan may modify these criteria for policy-driven transmission solutions as needed to meet state, federal, municipal or county requirements or directives.

* * * * *

24.4.7 Description of Transmission Solutions

The transmission solutions identified in the revised draft and final comprehensive Transmission Plan, or in a supplemental assessment to the final comprehensive Transmission Plan, -that are subject to the competitive solicitation process will provide sufficient engineering detail to permit Project Sponsors to submit complete proposals, under section 24.5.1 to build the identified transmission solution. As further described in the Business Practice Manual, such details may include, but are not limited to:

- (a) Minimum Conductor Ampacity;
- (b) Approximate Line impedance required;
- (c) Approximate Series compensation levels;
- (d) Substation bus and breaker configuration;
- (e) Breaker clearing times;
- (f) Transformer characteristics (capacity, impedance, tap range);
- (g) Minimum Shunt capacitor and reactor sizes;
- (h) Minimum FACTS device specifications;
- (i) RAS requirements;
- (j) Planning level cost estimates;
- (k) Projected in-service date;

(l) Any alternative transmission technologies to be incorporated.

24.4.8 Additional Contents of Comprehensive Transmission Plan

In addition to the detailed descriptions of specific needed transmission additions and upgrades, the draft and final comprehensive Transmission Plan may include: (1) the results of technical studies performed under the Study Plan; (2) determinations and recommendations regarding the need for identified transmission upgrades and additions and their identification as either Local or Regional Transmission Facilities; (3) assessments of transmission upgrades and additions submitted as alternatives to the potential solutions to transmission needs identified by the CAISO and studied during the Transmission Planning Process cycle; (4) results of Economic Planning Studies (except for the 2010/2011 cycle); (5) an update on the status of transmission upgrades or additions previously approved by the CAISO, including identification of mitigation plans, if necessary, to address any potential delay in the anticipated completion of an approved transmission upgrade or addition; (6) a description of transmission additions and

upgrades with an estimated capital investment of \$50 million or more for which additional studies are required before being presented to the CAISO Governing Board for approval following completion of the studies; (7) a description of Category 2 transmission upgrades or additions recommended for consideration in future planning cycles; (8) identification of Interregional Transmission Projects that were submitted in the current planning cycle, could potentially meet regional needs, and will be evaluated in the next planning cycle; ~~and~~ (9) determinations and recommendations regarding the need for Interregional Transmission Projects that have been evaluated and found to be more cost effective and efficient solutions to regional transmission needs and that satisfy all requirements relevant to meeting such needs.

Beginning with plans issued during 2028, the draft and final comprehensive Transmission Plan will include an explanation as to why dynamic line ratings, advanced power flow control devices, advanced conductors, and/or transmission switching were or were not incorporated into selected Regional Transmission Facilities.

24.4.9 Phase 2 Stakeholder Process: Needs Meetings and Solutions Meeting

- (a) According to the schedule and procedures set forth in the Business Practice Manual, and no fewer than 25 calendar days after the Assumptions Meeting, the CAISO will schedule a Needs Meeting consisting of one (1) public meeting after the CAISO technical study results have been posted and Participating TOs have submitted (i) the results of technical studies conducted at the direction of the CAISO (if applicable); and (ii) reliability-driven solutions. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice, and all meeting materials will be posted no fewer than five days in advance of any meeting. Interested parties will be provided a minimum two (2) week period to provide written comments regarding the technical study results and the proposals submitted by the Participating ~~TOs~~ TOs and may submit comments before and after the Needs Meetings. The CAISO will respond to questions or comments from stakeholders.
- (b) The CAISO will schedule at least one (1) other public ~~meeting~~ Needs Meeting before the draft comprehensive Transmission Plan is posted to provide information about any policy-driven transmission solution evaluations or economic planning studies that have been

completed since the prior public meeting was held, as well as updated information about any studies or evaluations that are still in progress. Notice of such meeting, web conference or teleconference will be provided to stakeholders via Market Notice.

- (c) In accordance with the schedule and procedures in the Business Practice Manual, but not less than one-hundred and twenty (120) days after the results of the CAISO's technical studies are posted and not less than six (6) weeks after the Request Window closes, the CAISO will post a draft comprehensive Transmission Plan. The CAISO will subsequently conduct a public conference, or Solutions Meeting, regarding the draft comprehensive Transmission Plan and solicit comments, consistent with the timelines and procedures set forth in the Business Practice Manual. Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice and such notice shall be posted to the CAISO Website. All meeting materials will be posted no fewer than five days in advance of any meeting. Stakeholders will have the opportunity to submit comments before and after each meeting. After consideration of comments, the CAISO will post the revised draft comprehensive Transmission Plan to the CAISO Website.

24.4.10 Transmission Plan Approval Process

The revised draft comprehensive Transmission Plan, along with the stakeholder comments, will be presented to the CAISO Governing Board for consideration and approval. Upon approval of the plan, all needed transmission additions and upgrades, and Interregional Transmission Projects, net of all transmission and non-transmission alternatives considered in developing the comprehensive Transmission Plan, will be deemed approved by the CAISO Governing Board. Following Governing Board approval, the CAISO will post the final comprehensive Transmission Plan to the CAISO Website.

In years in which no comprehensive Transmission Plan is issued as part of the regular biennial process, the CAISO may bring projects more urgently needed to address reliability issues to the CAISO Governing Board, following the process described in Section 24.3.3.1. According to the schedule set forth in the Business Practice Manual, transmission upgrades and additions with capital costs of \$50 million or less can be approved by CAISO management and Subscriber Participating TO transmission facilities,

provided the CAISO Governing Board has already approved the Subscriber Participating TO as a Participating TO or conditional Participating TO, may proceed to permitting and construction prior to Governing Board approval of the plan. Such CAISO management approved transmission solutions may be subject to a competitive solicitation process, consistent with Section 24.5, on an accelerated schedule that will allow the approved Project Sponsor to proceed to permitting and construction prior to Governing Board approval of the plan. CAISO management may also expedite approval of a transmission solution ahead of the approval schedule for other solutions with capital costs of \$50 million or less if: (1) there is an urgent need for approval of the solution ahead of the schedule established in the Business Practice Manual; (2) there is a high degree of certainty that approval of the upgrade or addition will not conflict with other solutions being considered in Phase 2; and (3) the need to accelerate a solution is driven by the CAISO's study process or by external circumstances. Should the CAISO find that a transmission solution with capital of \$50 million or less is needed on an expedited basis, after a stakeholder consultation process, CAISO management shall brief the Governing Board at a regularly-scheduled or special public session prior to approving the solution and conducting the competitive solicitation, if appropriate. A Participating Transmission Owner will have the responsibility to construct, own, finance and maintain any Local Transmission Facility deemed needed under this section 24 that is located entirely within such Participating Transmission Owner's PTO Service Territory or footprint. The provisions of Section 24.5 will apply to a Regional Transmission Facility deemed needed under this section 24. Section 24.5 will also apply to any transmission upgrades or additions that are associated with both Regional Transmission Facilities and Local Transmission Facilities but for which the CAISO determines that it is not reasonable to divide construction responsibility among multiple Project Sponsors. Construction and ownership of a selected Interregional Transmission Project shall be determined in accordance in Section 24.17.3.

24.5 Transmission Planning Process Phase 3

24.5.1 Competitive Solicitation Process

According to the schedule set forth in the Business Practice Manual, in the month following the CAISO Governing Board's approval of the comprehensive Transmission Plan, or a supplemental assessment to the final comprehensive Transmission Plan, whichever is applicable, the CAISO will initiate a period of at least ten (10) weeks that will provide an opportunity for Project Sponsors to submit specific proposals to

finance, own, and construct the Regional Transmission Facilities and any Long-Term Regional Transmission Facilities subject to competitive solicitation identified in the comprehensive Transmission Plan or supplemental assessment, interim reliability assessment, or Long-Term Regional Transmission Plan. If the transmission solution adopted in Phase 2 involves an upgrade or improvement to, addition on, or a replacement of a part of an existing Participating TO facility, the Participating TO will construct and own such upgrade, improvement, addition or replacement facilities unless a Project Sponsor and the Participating TO agree to a different arrangement. For Regional Transmission Facilities with capital costs of \$50 million or less that were approved by CAISO management before Governing Board approval of the comprehensive Transmission Plan, the ten week period will be initiated following management approval of the facility, and the Project Sponsor selection process may follow an accelerated schedule described in the Business Practice Manual. Such proposals must include plan of service details and supporting information as set forth in the Business Practice Manual sufficient to: (1) enable the CAISO to determine whether the Project Sponsor meets the qualification criteria specified in section 24.5.3.1; (2) enable the CAISO to determine whether a Project Sponsor's proposal meets the proposal qualification criteria in section 24.5.3.2; and (3) enable the CAISO, if there are multiple qualified Project Sponsors bidding on the same Regional Transmission Facility or Long-Term Regional Transmission Facility, to conduct a comparative analysis of the proposals and Project Sponsors and select an Approved Project Sponsor as described in section 24.5.3.5. The project proposal will identify the authorized governmental body from which the Project Sponsor will seek siting approval for the project.

Within 30 days after the CAISO posts the revised draft comprehensive Transmission Plan, ~~or a~~ supplemental assessment to the final comprehensive Transmission Plan, interim reliability assessment, or Long-Term Regional Transmission plan to its website, whichever is applicable, for each Regional Transmission Facility or Long-Term Regional Transmission Facility identified in the ~~revised draft comprehensive Transmission Plan or supplemental~~ applicable plan or assessment that is subject to competitive solicitation, the CAISO will post, for informational purposes only, those existing qualification criteria and selection factors, in addition to any binding cost containment commitments, which the CAISO believes are key for purposes of selecting an Approved Project Sponsor for the particular transmission solution, consistent with the comparative analysis described in section 24.5.4 and the project sponsor

qualification and selection criteria specified in sections 24.5.3.1 and 24.5.4, respectively. The posting of such key criteria is solely intended to provide information to Project Sponsors to assist them in the preparation of their applications and to highlight specific topics to which particular attention should be paid in the application given their importance in connection with a particular Regional Transmission Facility or Long-Term Regional Transmission Facility. The posting of the key selection criteria is not a replacement or substitute for the qualification and selection criteria set forth in sections 24.5.3.1 and 24.5.4, and in its comparative analysis conducted in accordance with section 24.5.4, the CAISO is required to comparatively assess all of the qualification and selection criteria, not just those listed as key selection criteria. In its posting of the key selection criteria, the CAISO cannot add new or different criteria than those already specified in sections 24.5.3.1 and 24.5.4. To determine the key criteria for each transmission solution subject to competitive solicitation, the CAISO will consider: (1) the nature, scope and urgency of the need for the transmission solution; (2) expected severity of siting or permitting challenges; (3) the size of the transmission solution, potential financial risk associated with the transmission solution, expected capital cost magnitude, cost overrun likelihood and the ability of the Project Sponsor to contain costs; (4) the degree of permitting, rights-of-way, construction, operation and maintenance difficulty; (5) risks associated with the construction, operation and maintenance of the transmission solution ; (6) technical and engineering design difficulty or whether specific expertise in design or construction is required; (7) special circumstances or difficulty associated with topography, terrain or configuration; (8) specific facility technologies or materials associated with the transmission solution; (9) binding cost containment measures, including cost caps; (10) abandonment risk; and (11) whether the overall cost of the transmission solution impacts the CAISO's prior determination of, and inclusion in, the ~~comprehensive-applicable Transmission-transmission Plan-plan~~ of the more efficient or cost effective solution during Phase 2 of the transmission planning process or in the Long-Term Regional Transmission Planning process.

The posting of the key selection criteria shall not undermine the CAISO's prior determination in Phase 2 of the transmission planning process or the Long-Term Regional Transmission Planning process of the more efficient or cost-effective transmission solution to be reflected in the comprehensive Transmission Plan or the Long-Term Regional Transmission Plan, nor shall the posting of the key criteria replace or be

inconsistent with the CAISO's obligation under section 24.5.4 to undertake a comparative analysis of each Project Sponsor with respect to each Project Sponsor qualification and selection criterion. If the CAISO determines in Phase 2 of the transmission planning process or in the Long-Term Regional Transmission Planning process that more than one transmission solution could constitute the more efficient or cost-effective solution to meet a specific identified need depending on the outcome of the competitive solicitation, the CAISO shall have the authority to identify more than one potential transmission solution in the comprehensive Transmission Plan or in the Long-Term Regional Transmission Plan. Under those circumstances, based on the outcome of the competitive solicitation, the CAISO will make the final determination of which alternative transmission solution identified in the Board-approved comprehensive Transmission Plan or the Long-Term Regional Transmission Plan constitutes the more efficient or cost-effective transmission solution to be selected for construction.

24.5.2 Project Sponsor Application and Information Requirements

All project sponsors must submit a Project Sponsor application form as set forth in the Business Practice Manual and posted on the CAISO website. Any entity may submit a Project Sponsor application to finance, construct, own, operate and maintain a transmission solution identified in the comprehensive applicable Transmission-transmission Planplan or assessment subject to the competitive solicitation process. There is no requirement that a Project Sponsor first be qualified before it may submit a Project Sponsor application for such a transmission solution.

24.5.2.1 Opportunity for Collaboration

Any entity interested in collaborating with another entity may notify the CAISO of such interest within two weeks after the CAISO opens the competitive solicitation window for a specified Regional Transmission Facility or Long-Term Regional Transmission Facility. The CAISO will post a list of entities interested in collaborating and their contact information on the CAISO website. Prior notice to the CAISO is not a prerequisite for a Project Sponsor to submit an application, including a joint application, to finance, own, construct, operate, and maintain a Regional Transmission Facility or Long-Term Regional Transmission Facility under Section 24.5. All Project Sponsors, including collaborating Project Sponsors, must submit an application prior to the close of the competitive solicitation window.

24.5.2.2

A Project Sponsor will provide to the CAISO, Participating TOs (as listed on Appendix F to the Transmission Control Agreement), and Approved Project Sponsors a copy of all initial filings it submits in a FERC docket that affect the rates (including the Transmission Revenue Requirement), terms, or conditions of service for any Regional Transmission Facility or Long-Term Regional Transmission Facility that is the subject of an ongoing competitive solicitation process under this section 24.5. The Project Sponsor will provide such copy either via email or first class U.S. mail on the same day it makes the filing with FERC; provided that if the copy is sent via U.S. mail, the Project Sponsor will satisfy the requirement if it places the copy in the mail on the date of filing. The CAISO will post the contact information for Approved Project Sponsors on the CAISO website.

24.5.2.3 Project Sponsor Information Requirements

The application to be submitted to the CAISO by an entity desiring to become an Approved Project Sponsor shall include the following general information (as well as related details) in response to the questions on the application form:

- (a) The following information:
 - (i) A proposed financial plan demonstrating that adequate capital resources are available to the Project Sponsor to finance the transmission solution, and that constructing, operating and maintaining the facilities will not significantly impair the Project Sponsor's creditworthiness or financial condition;
 - (ii) A showing from the Project Sponsor's most recent audited financial statements that the Project Sponsor's assets are in excess of liabilities as a percentage of the total cost of the transmission solution;
 - (iii) Financial funding ratios from the most recent audited financial statements;
 - (iv) Credit arrangements between affiliated entities, including corporate parent, and compliance with regulatory restrictions and requirements; and
 - (v) Bankruptcy, dissolution, merger or acquisition history;
- (b) The credit rating from Moody's Investor Services and Standard & Poors of the Project Sponsor, or its parent company, controlling shareholder, or any other entity providing a bond guaranty or corporate commitment to the Project Sponsor;

- (c) Information showing the Project Sponsor's ability to assume liability for major losses resulting from failure of, or damage to, the transmission facility, including damage after the facility has been placed into operation;
- (d) The project in-service date of each transmission solution with a construction plan and timetable;
- (e) A description of the Project Sponsor's proposed engineering, construction, maintenance and management teams, including relevant capability and experience;
- (f) A description of the Project Sponsor's resources for operating and maintaining the transmission solution after it is placed in-service;
- (g) A discussion of the capability and experience of the Project Sponsor that would enable it to comply with all on-going scheduling, operating, and maintenance activities required for each transmission solution, including those required by the tariff, business practice manuals, policies, rules, guidelines, and procedures established by the CAISO;
- (h) Resumes for all key management personnel, including contractors, that will be involved in obtaining siting approval and other required regulatory approvals and for constructing, operating and maintaining each transmission solution;
- (i) A description of the Project Sponsor's business practices that demonstrate consistency with Good Utility Practice for proper licensing, designing and right-of-way acquisition for constructing, operating and maintaining transmission solutions that will become part of the CAISO Controlled Grid;
- (j) The Project Sponsor's previous record regarding construction, operation and maintenance of transmission facilities within and outside the CAISO Controlled Grid;
- (k) The Project Sponsor's pre-existing procedures and practices for acquiring and managing right of way and other land for transmission facility, or, in the absence of preexisting procedures or practices, a detailed description of its plan for right of way and other land acquisition;
- (l) A description of existing rights of way or substations upon which all or a portion of the transmission facility can be located and incremental costs, if any, that would be incurred

in connection with placing new or additional facilities associated with the transmission solution on such existing rights of way;

- (m) The Project Sponsor's preexisting practices or procedures for mitigating the impact of the transmission solution on affected landowners and for addressing public concerns regarding facilities associated with the transmission solution. In the absence of such preexisting practices or procedures, the Project Sponsor shall provide a detailed plan for mitigating such impacts and addressing public concerns;
- (n) A description of the following and any related or relevant information regarding:
 - (i) the proposed structure and composition, conductor size and type;
 - (ii) the proposed route and rights of way; and
 - (iii) a plan for topography issues;
- (o) Cost containment capabilities and cost cap, if any;
- (p) Description of the Project Sponsor's plan for complying with standardized maintenance and operation practices and all applicable reliability standards;
- (q) Any other strengths and advantages that the Project Sponsor and its team may have to build and own the transmission solution, as well as any specific efficiencies or benefits demonstrated in its Project Sponsor proposal, including the potential use of alternative transmission technologies; and
- (r) The authorized government body from which the Project Sponsor will seek siting approval for the transmission solution and the authority of the selected siting authority to impose binding cost caps or cost containment measures on the Project Sponsor, as well as its history of imposing such measures.

Additional details about the information that must be submitted is set forth in the Business Practice Manual and on the application form. On the CAISO's request, the Project Sponsor will provide additional information that the CAISO reasonably determines is necessary to conduct its qualification and selection evaluation with respect to the particular transmission solutions that are subject to competitive solicitation.

* * * * *

24.5.3 Project Sponsor and Proposal Qualifications

24.5.3.1 Project Sponsor Qualifications

After posting the list of information-sufficient applications and, if applicable, after the conclusion of any applicable collaboration process under Section 24.5.2.2, the CAISO will evaluate the information submitted by each Project Sponsor in response to the questions on the application pertaining to sections 24.5.2.1(a)-(i) to determine whether the Project Sponsor has demonstrated that its team is physically, technically, and financially capable of (i) completing the needed transmission solution in a timely and competent manner; and (ii) operating and maintaining the transmission solution in a manner that is consistent with Good Utility Practice and applicable reliability criteria for the life of the project, based on the following qualification criteria:

- (a) whether the Project Sponsor has demonstrated that it has assembled, or has a plan to assemble, a sufficiently-sized team with the manpower, equipment, knowledge and skill required to undertake the design, construction, operation and maintenance of the transmission solution;
- (b) whether the Project Sponsor and its team have demonstrated that they have sufficient financial resources, by providing information including, but not limited to, satisfactory credit ratings, audited financial statements, or other financial indicators;
- (c) whether the Project Sponsor and its team have demonstrated the ability to assume liability for major losses resulting from failure of any part of the facilities associated with the transmission solution by providing information such as letters of credit, letters of interest from financial institutions regarding financial commitment to support the Project Sponsor, insurance policies or the ability to obtain insurance to cover such losses, the use of account set asides or accumulated funds, the revenues earned from the transmission solution, sufficient credit ratings, contingency financing, or other evidence showing sufficient financial ability to cover these losses in the normal course of business;
- (d) whether the Project Sponsor has (1) proposed a schedule for development and completion of the transmission solution consistent with need date identified by the

CAISO; and (2) has the ability to meet that schedule;

- (e) whether the Project Sponsor and its team have the necessary technical and engineering qualifications and experience to undertake the design, construction, operation and maintenance of the transmission solution;
- (f) whether the Project Sponsor makes a commitment to become a Participating TO for the purpose of turning the Regional Transmission Facility or Long-Term Regional Transmission Facility that the Project Sponsor is selected to construct and own as a result of the competitive solicitation process over to the ISO's Operational Control , to enter into the Transmission Control Agreement with respect to the transmission solution, to adhere to all Applicable Reliability Criteria and to comply with NERC registration requirements and NERC and WECC standards, where applicable.

If the CAISO determines that a Project Sponsor meets these criteria, it shall be deemed a qualified Project Sponsor.

24.5.3.2 Proposal Qualification

After evaluating the Project Sponsor's qualifications as described in section 24.5.3.1, the ISO will determine whether the transmission solution proposed by a Project Sponsor is qualified for consideration, based on the following criteria:

- (a) Whether the proposed design of the transmission solution is consistent with needs identified in the ~~comprehensive applicable Transmission transmission Planplan~~;
- (b) Whether the proposed design of the transmission solution satisfies Applicable Reliability Criteria and CAISO Planning Standards;

* * * * *

24.8.5 Obligation to Provide Updated Information

If material changes to the information provided under Sections 24.8 occur during the ~~biennial~~annual Transmission Planning Process, the providers of the information must provide notice to the CAISO of the changes.

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24.11 ~~[Not Used]~~ Long-Term Planning

As part of the regional transmission planning process, the CAISO shall conduct Long-Term Regional Transmission Planning. The CAISO will commence a Long-Term Regional Transmission Planning cycle every four years and will determine whether to select any facilities no later than three years from the date when each Long-Term Regional Transmission Planning cycle began. In accordance with the specific schedule outlined in the Business Practice Manual, the CAISO generally will, in year one, develop the scenarios, in years two and three, evaluate the scenarios, and in year three determine whether to select any facilities. The Long-Term Regional Transmission Planning process shall, at a minimum:

- (a) Utilize a base case consistent with the base case developed for the comprehensive Transmission Planning Process as one of the Long-Term Scenarios, which the CAISO determines is the most likely scenario to occur.
- (b) Reflect a planning horizon covering a minimum of twenty (20) years.
- (c) Identify Long-Term Regional Transmission Needs and Long-Term Regional Transmission Facilities to meet those needs through the development of Long-Term Scenarios.
- (d) Develop and use a minimum of three Long-Term Scenarios utilizing factors in the categories of factors to consider in consultation with stakeholders.
- (e) Disclose the methodology, criteria, assumptions, data and other information that underlie transmission plans, including Long-Term Scenarios.
- (f) Measure the required seven benefits and use those measured benefits to evaluate Long-Term Regional Transmission Facilities.
- (g) Use selection criteria that provide the opportunity for CAISO to select Long-Term Regional Transmission Facilities in the regional transmission plan for purposes of cost allocation that more efficiently or cost-effectively address Long-Term Regional Transmission Needs.
- (h) Allow incumbent and nonincumbent transmission developers to utilize the regional cost

allocation methodology outlined in Section 24.14.

- (i) Provide an opportunity for Relevant State Entities and interconnection customers to voluntarily fund any projects not selected.
- (j) Provide an opportunity for Interregional Transmission Projects submitted to the CAISO as a Relevant Planning Region to be evaluated as potential solutions to CAISO Long-Term Regional Transmission Needs pursuant to Section 24.18.

24.11.1 ~~[Not Used]~~ Development of Long-Term Scenarios

24.11.1.1 Input Factor Categories

The CAISO will identify and use factors in the following categories to determine the assumptions that will be used in the development of Long-Term Scenarios:

- (a) Federal, federally-recognized Tribal, state, and local laws and regulations affecting the resource mix and demand.
- (b) Federal, federally-recognized Tribal, state, and local laws and regulations on decarbonization and electrification.
- (c) State-approved integrated resource plans and expected supply obligations for load-serving entities.
- (d) Trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies.
- (e) Resource retirements, including likely resource retirements beyond those that have been publicly announced.
- (f) Generator interconnection requests and withdrawals.
- (g) Utility commitments and federal, federally-recognized Tribal, state, and local policy goals that affect Long-Term Regional Transmission Needs.

24.11.1.2 Accounting for Factors

In the development of the Long-Term Scenarios, the CAISO will account for the factors that it has determined are likely to affect Long-Term Regional Transmission Needs and will make a determination as to how that factor is likely to affect Long-Term Regional Transmission Needs.

The CAISO will use each factor individually or collectively to determine the assumptions that will be used in the development of the Long-Term Scenarios that will result in plausible and diverse Long-Term Scenarios. In developing the Long-Term Scenarios, the CAISO may generalize how all of the discrete factors in a single category of factors will, in aggregate, affect the development of the Long-Term Scenarios. The CAISO will only utilize factors which it determines are likely to have a measurable effect on Long-Term Regional Transmission Needs. Where factors may have overlapping effects on the planning assumptions, the CAISO will avoid double counting the effect that those factors have on assumptions used to develop Long-Term Scenarios. Where there is overlap between categories (a)-(c) and (d)-(g), or a factor could be considered in a category in the first three or the second four, the CAISO will consider it in the appropriate category (a)-(c).

For categories of factors listed in 24.11.1.1(a)-(c), the CAISO will assume that legally binding obligations are followed, state-approved integrated resource plans are followed, and expected supply obligations for load-serving entities are fully met. The CAISO will account for and be consistent with, and not discount, factors in the first three categories. When the CAISO determines that a factor that is based on state's law, regulation, or policy, is likely to affect needs, the CAISO will rely on the state in determining how to account for such a state-related factor.

For categories of factors listed in 24.11.1.1(d)-(g) the CAISO will use discretion in how to account for each factor and may put more weight on the factor by modeling more than the projected change in some or all Long-Term Scenarios to reflect the CAISO's view regarding the likelihood that the anticipated effects on Long-Term Regional Transmission Needs due to that factor will occur.

24.11.1.3 Stakeholder Input – Factors to be Used in Long-Term Scenarios

- (a) In accordance with the schedule set forth in the Business Practice Manual, the CAISO will provide stakeholders, states, and federally-recognized Tribes with a meaningful opportunity to propose factors for consideration, provide information and identify sources of best available data, propose how a factor may affect Long-Term Regional Transmission Needs, and explain how that factor could be reflected in the development of Long-Term Scenarios, including the extent to which it is appropriate to discount the effects of certain factors on Long-Term Regional Transmission Needs. The CAISO will

provide a comment period of at least four weeks during which stakeholders, states, and federally-recognized Tribes may submit proposals for consideration in the development of the factors under the categories of factors included in Section 24.11.1.2. Stakeholders, states, and federally-recognized Tribes may also propose which future outcomes are probable and can be captured through assumptions made in the development of Long-Term Scenarios.

(b) Following review of relevant information, including comments submitted pursuant to Section 24.11.1.3(a), the CAISO will prepare and post on the CAISO Website a draft of the factors to be used in the development of the Long-Term Scenarios and a description of how they will be utilized. The CAISO will issue a Market Notice announcing the availability of such draft, soliciting comments, and scheduling a public conference(s) as required by Section 24.11.1.3(c).

(c) No less than one (1) week subsequent to the posting of the draft factors, the CAISO will conduct a minimum of one (1) public meeting open to all to review, discuss, and recommend modifications to the draft factors. Additional meetings, web conferences, or teleconferences may be scheduled as needed. All stakeholder meetings, web conferences, or teleconferences shall be noticed by Market Notice.

(d) Interested parties will be provided a minimum of two (2) weeks following the first public meeting to provide additional comments on the draft factors. All comments on the draft factors will be posted by the CAISO to the CAISO Website.

(e) The CAISO will determine and publish to the CAISO Website the final factors pursuant to Section 24.11.1.4 and how the CAISO will account for each specific factor in accordance with the procedures set forth in the Business Practice Manual.

24.11.1.4 Posting of Factors

Following the public meeting(s) described in Section 24.11.1.3, and under the schedule set forth in the Business Practice Manual, the CAISO will publish on CAISO Website: (1) the list of factors in each of the seven required categories the CAISO will account for in each of its Long-Term Scenarios; (2) a description of each factor the CAISO will account for; (3) a general statement explaining how the CAISO

will account for each of those factors; (4) a description of the extent to which the CAISO will discount any factors in factor categories (d)-(g) in any of the Long-Term Scenarios; and (5) list of factors the CAISO considered but did not incorporate. These factors will inform the study plan applicable to the Long-Term Transmission Planning process cycle. The study plan, to the extent the CAISO chooses to issue a separate study plan for the Long-Term Transmission Planning process in any cycle, will additionally include the requirements identified in Section 24.3.2 to the extent applicable to conducting the Long-Term Transmission Planning process.

24.11.1.5 Specificity of Data Inputs

The CAISO will use best available data inputs that correspond to the factors likely to affect Long-Term Regional Transmission Needs and when developing Long-Term Scenarios. Such data inputs are timely, developed using best practices and diverse and expert perspectives, and adopted in consultation with stakeholders under Section 24.11.1.3. Data inputs will be updated, as necessary, each time the CAISO reassesses and revises its Long-Term Scenarios.

The CAISO will publicly disclose, subject to any applicable confidentiality protections, information and data inputs that the CAISO will use to create each Long-Term Scenario.

24.11.1.6 Sensitivities for High-Impact, Low-Frequency Events

The CAISO will develop at least one sensitivity, applied to each Long-Term Scenario when performing the evaluation assessments, to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission Outages due to an extreme weather event across a wide area.

The CAISO may develop additional sensitivities to account for other high-impact, low frequency events as the CAISO deems necessary.

24.11.2 ~~[Not Used]~~ Measurement of Benefits

The CAISO's Long-Term Regional Transmission Plan will measure and use the following seven benefits for any transmission projects identified by the CAISO, for use in the evaluation of Long-Term Scenarios as described in Section 24.11.3. The CAISO will calculate the benefits of Long-Term Regional Transmission Facilities over a time horizon that covers, at a minimum, 20 years starting from the estimated in-service date of the transmission facilities. In the case that the CAISO estimates the costs

of any Long-Term Regional Transmission Facility beyond the in-service date of the transmission facilities, the CAISO will estimate those future costs over the same time horizon as the estimated benefits. The seven benefits to be measured and used are:

1. Reduced costs of avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities. The CAISO will measure this benefit as the reduction in investment costs due to avoided or deferred reliability transmission facilities and aging infrastructure.
2. Either (a) reduced loss of load probability, defined as the reduced frequency of loss of load events by providing additional pathways for connecting generation resources with load (if planning reserve margin is constant), or (b) reduced planning reserve margin (PRM), defined as a benefit of reduced capital cost of generation needed to meet resource adequacy requirements while holding loss of load probabilities constant. The CAISO will measure this benefit as either the reduction in frequency of loss of load events or the reduction in planning reserve margins while holding loss of load probabilities constant. The CAISO will determine which approach will be measured during the Long-Term Regional Planning process consistent with its Long-Term Regional Transmission Need(s), but will not measure both simultaneously.
3. Reduction in production costs, including savings in fuel and other variable operating costs of power generation, that are realized when transmission facilities allow for the increased dispatch of suppliers that have lower incremental costs of production, displacing higher-cost supplies as well as reduction in market prices as lower-cost suppliers set market clearing prices. The CAISO will measure this benefit as the reduction in production costs using production cost modeling simulations.
4. Reduced total energy necessary to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to loads. The CAISO will measure this benefit as the reduction in the amount of total energy and transmission energy losses incurred in transmittal of power from generation to loads using production cost modeling simulations.

5. Reduced production costs during transmission Outages that significantly increase transmission congestion. The CAISO will measure this benefit as the reduction in congestion costs during transmission outages that significantly increase transmission congestion using production cost modeling simulations.
6. Reduced production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased Interregional Transfer Capability, during extreme weather events and unexpected system conditions, such as unusual weather conditions or fuel shortages that result in multiple concurrent and sustained generation and/or transmission outages. The CAISO will account for circumstances that contribute to these events that are specific to the CAISO planning region. The CAISO will measure this benefit as reduced production costs, and loss of load, and increase in interregional transfer capability during extreme weather events and unexpected system conditions. The CAISO will account for mitigation of unexpected system conditions during periods when transmission facilities have particularly high value, not only during extreme weather events.
7. Reduced energy losses during peak load reduces generation capacity investment needed to meet the peak load and transmission losses. The CAISO will measure this benefit as reduction in generation capacity investment due to reduced energy losses during peak load.

24.11.3 ~~[Not Used]~~ Evaluation of Long-Term Scenarios

The CAISO's evaluation process and selection criteria aim to ensure the more efficient or cost-effective Long-Term Regional Transmission Facilities are selected to address needs. The CAISO will identify one or more transmission facilities that addresses each identified need.

In accordance with the study plan and with the procedures and schedules in the Business Practice Manual, the CAISO will perform assessments necessary to evaluate scenarios and sensitivities developed in accordance with section 24.11.1 for its Long-Term Regional Transmission Plan and determine the need for Long Term Regional Transmission Facilities. According to the schedule set forth in the applicable Business Practice Manual, the CAISO will post the preliminary results of its assessments

on the CAISO Website. The CAISO's preliminary assessment results shall be posted not less than one-hundred and twenty (120) days after the factors are published.

Determination of transmission solutions to be included in the Long-Term Regional Transmission Plan will be based on the CAISO's assessments, consideration of potential transmission solutions and non-transmission or generation alternatives proposed by stakeholders, coordination with Participating Transmission Owners including identifying opportunities for right-sizing replacement transmission facilities in accordance with section 24.11.3.2, measurement of benefits in accordance with section 24.11.2 and selection criteria in accordance with section 24.11.3.3.

24.11.3.1 Stakeholder Proposals for Transmission Solutions

As part of the CAISO's Long-Term Regional Transmission Planning evaluation process and in accordance with the schedule set forth in the applicable Business Practice Manual, nonincumbent developers will be given the opportunity to propose transmission facilities following the publication of the CAISO's preliminary assessment results on the CAISO Website in accordance with section 24.11.3.

24.11.3.2 Opportunities to Right-Size Replacement Transmission Facilities

As part of the Long-Term Regional Transmission Planning evaluation process, the CAISO will evaluate whether facilities (1) operating at or above 200 kV, and (2) that the Participating Transmission Owner that owns the facility anticipates replacing in-kind with a new transmission facility during the next ten years can be "right-sized" to more efficiently or cost-effectively address a Long-Term Transmission Need. The CAISO and Participating TOs will coordinate on any such existing facilities following the publication of the CAISO's preliminary assessment results on the CAISO website in accordance with section 24.11.3. Any proposed Right-Sized Replacement Transmission Facility will be evaluated in the same manner as any other proposed Long-Term Regional Transmission Facility.

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. The CAISO will identify at

least one facility to meet each need, but is not required to select any facility. In order for the CAISO to consider a facility for selection the facility must:

- (a) have measurable benefits across the multiple of the seven categories of benefits in at least one scenario in accordance with section 24.11.2; and
- (b) 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.

24.11.4 Selection of Long-Term Regional Facilities and Conclusion of Long-Term Planning Cycle

No later than three years following the beginning of the planning cycle and in accordance with the schedule set forth in the applicable Business Practice Manual, the CAISO will determine whether to select or not select identified facilities based on the selection criteria in Section 24.11.3. Such selection will take place only after proposals submitted pursuant to Section 24.11.3.1 and 24.11.3.2 are considered. The CAISO will post on the CAISO Website the specific determinations explaining why each identified facility was or was not selected. Simultaneous with the posting of the final determinations, the CAISO will include in a Market Notice a notice triggering the start of the voluntary funding opportunity open window, consistent with Section 24.11.5.1. The conclusion of that open window and, if applicable, the memorialization of any proposal for voluntary funding will conclude the Long-Term Regional Transmission Planning cycle.

With the exception of Right-Sized Replacement Transmission Facilities which will be subject to a federal right of first refusal, Long-Term Regional Transmission Facilities will be eligible for competitive solicitation. Consistent with the alignment schedule, projects eligible for competitive solicitation will go through the Phase 3 process in Section 24.5.

24.11.5 Cost Allocation for Long-Term Regional Transmission Solutions

Cost responsibility for transmission additions or upgrades selected in the Long-Term Regional Transmission Planning process will be determined pursuant to Section 24.14. Transmission developers

selected, whether incumbent or nonincumbent, will be eligible to use the applicable cost allocation method.

24.11.5.1 Voluntary Funding Opportunity

Relevant State Entities and Interconnection Customers will have the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet the CAISO's selection criteria. After the final selection of facilities is published pursuant to 24.11.4, entities interested in pursuing a voluntary funding opportunity may propose to the CAISO a framework for a specific facility during the two months following notice. The CAISO will evaluate whether the proposal reduces the cost of the facility to CAISO ratepayers and eliminates other deficiencies in the CAISO's original benefits evaluation in order to meet the selection criteria identified in Section 24.11.3.3. To the extent that the proposal allows the facility to meet the selection criteria, the CAISO may, but is not required to, move forward with seeking CAISO Governing Board approval for any such project and proposal.

In order to move forward, the voluntary funding proposal must mitigate all operational concerns identified by the CAISO to the satisfaction of the CAISO. To ensure that the funding parties are financially able to pay the construction and operating costs of the facility, the CAISO may require (1) a demonstration of creditworthiness (e.g., an appropriate credit rating), or (2) sufficient security in the form of an unconditional and irrevocable letter of credit or other similar security sufficient to meet its responsibilities and obligations for the proposed partial or full costs of the facility.

The CAISO and the funding parties will memorialize the proposal through the execution of an agreement between the CAISO and the funding parties. Pursuing voluntary funding does not automatically confer any particular rights or preferences to the funding parties beyond those awarded to a Project Sponsor for a Merchant Transmission Facility pursuant to Section 24.14.3. Any such proposed rights must be included in any proposal for the CAISO to consider in its evaluation.

24.11.6 Reevaluation of Selected Long-Term Transmission Facilities

Under specific circumstances and utilizing the specific criteria outlined in Section 24.11.6, the CAISO will reevaluate specific facilities that were previously selected in the Long-Term Regional Transmission Planning cycle until the date at which substantial procurement must take place to meet the requested in-

service date for that particular facility, to be specifically memorialized in any Approved Project Sponsor Agreement or similar agreement, after which the facilities will no longer be subject to reevaluation.

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% or more; 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.

In order to determine when one of these three situations occurs, thereby triggering the reevaluation, the CAISO will monitor the development activities of each Long-Term Regional Transmission Facility, including but not limited to, by requiring quarterly reports from developers of such facilities to determine if:

- (1) the project is experiencing delays which will result in the inability to meet the requested in-service date, in which case the CAISO will evaluate whether this delay jeopardizes the CAISO's ability to meet reliability needs or reliability-related service obligations prior to triggering a reevaluation; or
- (2) actual or projected costs exceed estimated costs by 20%; or
- (3) the CAISO becomes aware of a significant change in federal, federally-recognized Tribal, state, or local laws or regulations, in which case the CAISO will evaluate whether such change in law or regulation causes reasonable concern that a previously selected facility may no longer meet the selection criteria prior to triggering a reevaluation.

The CAISO will not reevaluate any selected facility on basis of significant changes in laws or regulations unless during the planning cycle in which the facility was selected, the facility's targeted in-service date

was in the latter half of the 20-year planning horizon.

24.11.6.2 Process for Reevaluation

Consistent with Long-Term Regional Transmission Planning evaluation, the reevaluation will seek to maximize benefits accounting for costs over time without over-building transmission facilities.

Reevaluation on the basis of project delays, cost increases or significant changes in laws or regulations will be part of a subsequent cycle and will take into account not only any updated costs of the facility but also updated benefits. Depending on the degree to which the project no longer meets the selection criteria or delays are due to the transmission developer, the CAISO may impose a mitigation plan, reassign the project, modify the facility, or remove the facility from the plan. If the CAISO finds that the project continues to meet selection criteria and any delays do not have a significant impact on meeting identified Long-Term Needs, the CAISO will take no action.

* * * * *

24.14 Cost Responsibility for Transmission Additions or Upgrades

Cost responsibility for transmission additions or upgrades constructed pursuant to this Section 24 shall be determined ~~as follows:~~pursuant to this Section 24.14. To the extent that the CAISO seeks to change this methodology in the future as it relates to Long-Term Regional Transmission Facilities, the CAISO will consult with Relevant State Entities prior to amending the cost responsibility methodology. For consultation initiated by the CAISO, the CAISO will document publicly on the CAISO website the results of its consultation with Relevant State Entities prior to filing any amendment. Relevant State Entities may seek for the CAISO to amend this cost responsibility method as related to Long-Term Regional Transmission Facilities, in which case the CAISO will consult with such Relevant State Entities.

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24.18 Order 1000 Common Interregional Tariff

24.18.1 Annual Interregional Information Exchange

Annually, prior to the Annual Interregional Coordination Meeting, the CAISO will make available by posting on its website or otherwise provide to each of the other Planning Regions the following information, to the extent such information is available in its regional transmission planning process, relating to regional transmission needs in the CAISO's transmission planning region and potential solutions thereto:

- (i) study plan or underlying information that would typically be included in a study plan, such as:
 - (a) identification of base cases;
 - (b) planning study assumptions; and
 - (c) study methodologies;
- (ii) initial study reports (or system assessments); ~~and~~
- (iii) regional transmission plan; and
- (iv) information regarding Long-Term Regional Transmission Needs:
 - (a) the Long-Term Regional Transmission Needs discussed in the interregional transmission coordination meetings;
 - (b) any interregional transmission facilities proposed or identified in response to Long-Term Regional Transmission Needs;
 - (c) the voltage level, estimated cost, and estimated in-service date of the interregional transmission facilities proposed or identified as part of Long-Term Regional Transmission Planning;
 - (d) the results of any cost-benefit evaluation of such interregional transmission facilities, with such results including both any overall benefits identified (which may occur across multiple transmission planning regions), as well as any benefits particular to each transmission planning region; and
 - (e) the interregional transmission facilities, if any, selected to meet Long-Term Regional Transmission Needs.

(collectively referred to as “Annual Interregional Information”).

The CAISO will post its Annual Interregional Information on its website according to its regional transmission planning process. Each other Planning Region may use in its regional transmission planning process the CAISO's Annual Interregional Information. The CAISO may use in its regional transmission planning process Annual Interregional Information provided by other Planning Regions. The CAISO is not required to make available or otherwise provide to any other Planning Region (i) any information not developed by the CAISO in the ordinary course of its regional transmission planning process, (ii) any Annual Interregional Information to be provided by any other Planning Region with respect to such other Planning Region, or (iii) any information if the CAISO reasonably determines that making such information available or otherwise providing such information would constitute a violation of the Commission's Standards of Conduct or any other legal requirement. Annual Interregional Information made available or otherwise provided by the CAISO shall be subject to applicable confidentiality and CEII restrictions and other applicable laws, under the CAISO's regional transmission planning process.

24.18.2 Annual Interregional Coordination Meeting

The CAISO will participate in an Annual Interregional Coordination Meeting with the other Planning Regions. The CAISO will host the Annual Interregional Coordination Meeting in turn with the other Planning Regions, and is to seek to convene such meeting in February, but not later than ~~March 31st~~June 30th. The Annual Interregional Coordination Meeting is to be open to stakeholders. The CAISO will provide notice of the meeting to its stakeholders in accordance with its regional transmission planning process.

At the Annual Interregional Coordination Meeting, topics discussed may include the following:

- (i) each Planning Region's most recent Annual Interregional Information (to the extent it is not confidential or protected by CEII or other legal restrictions);
- (ii) identification and preliminary discussion of interregional solutions, including conceptual solutions, that may meet regional transmission needs or Long-Term Regional Transmission Needs in each of two or more Planning Regions more cost effectively or efficiently; ~~and~~
- (iii) updates of the status of ITPs being evaluated or previously included in the CAISO's

comprehensive transmission plan; and

- (iv) information regarding respective Long-Term Regional Transmission Needs as well as Long-Term Regional Transmission Facilities to meet those needs.

* * * * *

24.18.3.2 Joint Evaluation of an Interregional Transmission Project

For each Interregional Transmission Project that meets the requirements of Section 24.18.3.1, the CAISO (if it is a Relevant Planning Region) will participate in a joint evaluation by the Relevant Planning Regions that is to commence in the calendar year of the Interregional Transmission Project's submittal in accordance with Section 24.18.3.1, or the immediately following calendar year. With respect to any such Interregional Transmission Project, the CAISO (if it is a Relevant Planning Region) will confer with the other Relevant Planning Region(s) regarding the following:

- (i) Interregional Transmission Project data and projected Interregional Transmission Project costs; and
- (ii) the study assumptions and methodologies it is to use in evaluating the Interregional Transmission Project pursuant to its regional transmission planning process.

For each Interregional Transmission Project that meets the requirements of Section 24.18.3.1, the CAISO (if it is a Relevant Planning Region):

- (a) will seek to resolve any differences it has with the other Relevant Planning Regions relating to the Interregional Transmission Project or to information specific to other Relevant Planning Regions insofar as such differences may affect the CAISO's evaluation of the Interregional Transmission Project;
- (b) will provide stakeholders an opportunity to participate in the CAISO's activities under this Section 24.18.3.2 in accordance with its regional transmission planning process and the Long-Term Regional Transmission Planning process;
- (c) will notify the other Relevant Planning Regions if the CAISO determines that the Interregional Transmission Project will not meet any of its regional transmission needs or

Long-Term Regional Transmission Needs; thereafter the CAISO has no obligation under this Section 24.18.3.2 to participate in the joint evaluation of the Interregional Transmission Project; and

- (d) will determine under its regional transmission planning process if such Interregional Transmission Project is a more cost effective or efficient solution to one or more of the CAISO's regional transmission needs.

* * * * *

Appendix A

New Definitions

- Assumptions Meeting

As part of the comprehensive Transmission Planning Process, a stakeholder meeting to review the criteria, assumptions, and models related to local and regional transmission planning.

- In-Kind Replacement Transmission Facility

For purposes of the right-sizing reform, a new transmission facility that: (1) would replace an existing transmission facility that the transmission provider has identified in its required 10-year in-kind replacement estimate as needing to be replaced; (2) would result in no more than incidental increase in capacity over the existing transmission facility identified as needed to be replaced; and (3) is located in the same general route as, and/or uses the existing rights-of-way of, the existing transmission facility identified as needing to be replaced.

- Long-Term Regional Transmission Facility

Regional transmission facility that is identified as part of Long-Term Regional Transmission Planning to address Long-Term Regional Transmission Needs.

- Long-Term Regional Transmission Need(s)

Transmission needs identified through Long-Term Regional Transmission Planning by, among other things, running scenarios and considering the enumerated categories of factors.

- Long-Term Regional Transmission Plan

The report prepared by the CAISO, pursuant to Section 24, which documents the outcome of the Long-Term Regional Transmission Planning Process as defined in the Study Plan.

- Long-Term Regional Transmission Planning

Regional transmission planning on a 20 year, forward-looking, and comprehensive basis to identify Long-Term Regional Transmission Needs, identify transmission facilities that meet such needs, measure the benefits of those transmission facilities, and evaluate those transmission facilities for potential selection in the regional transmission plan for purposes of cost allocation as the more efficient or cost-effective regional transmission facilities to meet Long-Term Regional Transmission Needs.

- Long-Term Scenarios

Scenarios that incorporate various assumptions using best available data inputs about the future electric power system over a sufficiently long-term, forward-looking transmission planning horizon to identify Long-Term Regional Transmission Needs and enable the identification and evaluation of transmission facilities to meet such transmission needs.

- Needs Meeting

As part of the comprehensive Transmission Planning Process a stakeholder meeting to review identified reliability criteria violations and other transmission needs that drive the need for local or regional transmission facilities.

- Relevant State Entity

Any state entity responsible for electric utility regulation or siting electric transmission facilities within the state or portion of a state located in the transmission planning region, including any state entity as may be designated for that purpose by the law of such state.

- Right-Sized Replacement Transmission Facility

A new transmission facility selected in the Long-Term Transmission Planning Process that (1) would meet the need to replace an existing transmission facility that a transmission provider has identified in its in-kind replacement estimate as one that it plans to replace with an In-Kind Replacement Transmission Facility while also addressing a long-term need; (2) results in more than incidental increase in the capacity of an existing transmission facility that a transmission provider has identified for

replacement in its in-kind replacement estimate; and (3) is located in the same general route as, and/or uses or expands the existing rights-of-way of the existing transmission facility that a transmission provider has identified for replacement in its in-kind replacement estimate.

- Solutions Meeting

As part of the comprehensive Transmission Planning Process, a stakeholder meeting to review potential solutions to reliability criteria violations and other transmission needs.

Changes to existing tariff definitions

Redlines represent proposed changes from existing Appendix A

- Regional Transmission Facility

A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the CAISO Operational Control, and that is not (1) a Local Transmission Facility or a Location Constrained Resource Interconnection Facility, and supporting facilities, (2) a Long-Term Regional Transmission Facility, or (23) a Merchant Transmission Facility.

- Study Plan

The plan to be developed pursuant to Section 24.3.1, which sets forth the technical studies to be performed during the ~~annual~~-Transmission Planning Process.

- Transmission Plan

The report prepared by the CAISO on annual basis, or on a biennial basis (every two years) starting in 2028, pursuant to Section 24, which documents the outcome of the comprehensive Transmission Planning Process as defined in the Study Plan.

- Unified Planning Assumptions

The assumptions to be developed pursuant to Section 24.3.1 and used, to the maximum extent possible, in performing technical studies identified in the Study Plan as part of the ~~annual~~-Transmission Planning Process.

Attachment C – Informational Table Mapping Tariff Revisions to Order No. 1920 Reqs

Tariff Amendment – Order No. 1920 Compliance Filing

California Independent System Operator Corporation

December 9, 2025

CAISO Compliance Charts: Order Nos. 1920, 1920-A, 1920-B

This document contains two charts. The first maps the CAISO's proposed tariff changes in compliance with Commission Order Nos. 1920, 1920-A, 1920-B. The second maps proposed changes to align the CAISO's existing comprehensive transmission planning processes with the new Long-Term Regional Transmission Planning Process.

- **Chart One: Compliance Matrix**

- Outlines the CAISO's compliance with the Commission's Orders, identifying the proposed tariff section that meets each required compliance directive. In some cases, the CAISO includes explanatory notes. The chart is organized in order of topic area included in Order No. 1920.

- **Chart Two: Changes to Align Transmission Processes**

- Paralleling Chart 1, this chart identifies additional proposed tariff amendments to align existing processes with the new Long-Term Regional Transmission Planning Processes.

CHART ONE: Compliance Matrix

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
Requirement to Participate in Long-Term Regional Transmission Planning	1920	224	Participate in a regional transmission planning process that includes Long-Term Regional Transmission Planning.	24 .11
	1920	224	Comply with existing Order Nos. 890 and 1000 transmission planning principles: (1) coordination, (2) openness, (3) transparency, (4) information exchange; (5) comparability; (6) dispute resolution.	24 Discussed in Section II of the CAISO's transmittal letter.
Development of Long-Term Scenarios	1920	298	Requires each transmission planning region to (1) develop and use Long-	24.11

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			Term Scenarios as part of Long-Term Regional Transmission Planning, and (2) use those Long-Term Scenarios to identify and evaluate Long-Term Regional Transmission Facilities need to meet Long-Term Regional Transmission Needs.	
Long-Term Scenarios Requirements – Transmission Planning Horizon	1920	344	Develop Long-Term Scenarios to identify Long-Term Regional Transmission Needs that will materialize in the 20 years or more following the commencement of the Long-Term Regional Transmission Planning Cycle.	24.11
	1920	346	Identify Long-Term Regional Transmission Needs occurring in any period of the 20-year transmission planning horizon and evaluate potential solutions to those needs.	24.11
	1920-A	223	Clarifies that identification of Long-Term Regional Transmission needs should rely on economic and reliability drivers.	24.11.1.4
Long-Term Scenarios Requirements – Frequency of Long-Term Scenario Revisions	1920	377	Reassess and revise the Long-Term Scenarios at least once every five years – must reassess whether the data inputs and factors incorporated in previously developed Long-Term	24.11.1

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			Scenarios need to be updated and then revise scenarios, as needed. May develop new scenarios or update data inputs and factors of previous scenarios.	
	1920	379	Requires transmission providers to complete the steps of the Long-Term Regional Transmission Planning cycle and determine whether to select any facilities no later than three years from the date when the Long-Term Regional Transmission Planning cycle began.	24.11
	1920	381	Transmission providers must designate a point in the evaluation process at which they will make a decision to either select or not select the relevant Long-Term Regional Transmission Facility.	24.11.4
	1920	381	Must designate the point in time or action that concludes a Long-Term Regional Transmission Planning cycle.	24.11.4
Categories of Factors	1920	409	Incorporate the seven specific categories of factors into Long Term Regional Transmission Planning.	24.11.1.1
	1920	413	Transmission providers must use factors in the category, of each factor, individually or collectively, to	24.11.1.1

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			determine the assumptions that will be used in the development of Long-Term Scenarios. Transmission providers may generalize how all of the discrete factors in a category of factors will, in aggregate, affect the development of Long-Term Scenarios. Factors should have a measurable impact on the Long-Term Scenario.	
	1920	415	Require transmission providers to account for the factors that they have determined are likely to affect Long-Term Regional Transmission Needs; transmission providers must make a determination as to how that factor is likely to affect Long-Term Regional Transmission Needs.	24.11.1.3
	1920	432	Factor Category One: federal, federally-recognized Tribal, state, and local laws and regulations affecting the resource mix and demand.	24.11.1.1(a)
	1920	440	Factor Category Two: federal, federally-recognized Tribal, state, and local laws and regulations on decarbonization and electrification.	24.11.1.1(b)
	1920	447	Factor Category Three: state-approved integrated resource plans	24.11.1.1(c)

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			and expected supply obligations for load-serving entities.	
	1920	456	Factor Category Four: trends in fuel costs and in the cost, performance, and availability of generation, electric storage resources, and building and transportation electrification technologies.	24.11.1.1(d)
	1920	463	Factor Category Five: resource retirements.	24.11.1.1(e)
	1920	464, 465, 466	Five: must account for likely resource retirements beyond those that have been publicly announced, but provide flexibility for how to account for those; may include what transmission provider believes to be appropriate confidentiality protections in their proposals,	24.11.1.1(e)
	1920	472	Factor Category Six: generator interconnection requests and withdrawals.	24.11.1.1(f)
	1920 1920-A	481 934	Factor Category Seven: utility commitments and federal, federally-recognized Tribal, state, and local policy goals that affect Long-Term Regional Transmission Needs.	24.11.1.1(g)
	1920-A	275	For a state that has required integrated resource planning	24.11.1.1

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			processes, transmission providers should include one of the state's preferred power system trajectories, including both supply and demand side resource trajectory as appropriate, in each Long-Term Scenario, or include different state-preferred power system trajectories in different Long-Term Scenarios.	
	1920-A	273	Where factors may have overlapping effects on the planning assumptions, transmission providers must avoid double counting the effect that those factors have on assumptions used to develop Long-Term Scenarios.	24.11.1.2
	1920-A	273	Where there is overlap between categories 1-3 and 4-7; or a factor could be considered in a category in the first three or the second four, it must be included in the first three categories.	24.11.1.2
	1920	507	For first three categories of factors, require transmission providers in each transmission planning region to assume that legally binding obligations are followed, state-approved integrated resource plans are followed, and expected supply	24.11.1.2

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			obligations for load-serving entities are fully met; require each to account for and be consistent with, and not discount, factors in the first three categories.	
	1920	508	Does not obligate providers to independently identify all of the factors in the first three categories; may rely on open and transparent stakeholder process to identify factors in first three.	n/a
	1920	516	For last four categories of factors: transmission providers have discretion in how they account for each factor in the last four categories of factors compared to how they account for each factor in the first three; may put more weight on the factor by modeling more than the projected change in some or all Long-Term Scenarios to reflect the Transmission providers' view regarding the likelihood that the anticipated effects on Long-Term Transmission Regional Needs due to that factor will occur.	24.11.1.2
	1920	528	Outline an open and transparent process that provides stakeholders,	24.11.1.3

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			including federally-recognized Tribes and states, with a meaningful opportunity to propose potential factors and to provide timely input on how to account for specific factors in the development of the Long-Term Scenarios.	
	1920-A	345	Where transmission provider determines that a factor based on state's law, regulation, or policy, is likely to affect needs, Transmission provider should rely on the state in determining <i>how</i> to account for such a state-related factor.	24.11.1.2
	1920	528	Publish on public portion of website: (1) list of factors in each of categories they will account for; (2) description of each factor they will account of; (3) general statement explaining how they will account for each of those factors; (4) a description of the extent to which they will discount any factors in factor categories four through seven; (5) list of factors they considered but did not incorporate.	24.11.1.4
	1920	529	Provide meaningful opportunity to propose factors, provide information and identify sources of best available	24.11.1.3

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			data, propose how a factor may affect Long-Term Transmission Regional Needs and explain how factor could be reflected, including the extent to which it is appropriate to discount the effects of certain factors.	
Number and Development of Long-Term Scenarios	1920	559	Three distinct Long-Term Scenarios that, at a minimum, incorporate the seven categories of factors.	24.11.1
	1920	559	If transmission providers produce a base-case Long-Term Scenario in the Long-Term Regional Transmission Planning process that base case should be consistent with what the transmission provider determines is the most likely scenario to occur.	24.11(a)
	1920	560	Publicly disclose (subject to any applicable confidentiality protections) information and data inputs used to create each Long-Term Scenario	24.11.1.4, 24.11.1.5
	1920	560	Craft coordination requirements that work for those transmission providers and their customers and other stakeholders, with the input of their customers and other stakeholders.	24.11.1.3
	1920	560	Provide a meaningful opportunity to propose which future outcomes are	24.11.1.3(a)

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			probable and can be captured through assumptions made in the development of Long-Term Scenarios; and propose future outcomes that are probable.	
Types of Long-Term Scenarios	1920	575	The set of Long-Term Scenarios must be: (1) plausible – each scenario and the set must reasonably capture probably future outcomes; (2) diverse – can distinguish distinct transmission facilities or distinct benefits of similar transmission facilities in each scenario.	24.11.1
Sensitivities for High-Impact, Low-Frequency Events	1920	593	Must develop at least one sensitivity, applied to each Long-Term Scenario, to account for uncertain operational outcomes that determine the benefits of and/or need for transmission facilities during multiple concurrent and sustained generation and/or transmission outages due to an extreme weather event across a wide area.	24.11.1.6
	1920	594	Flexibility to conduct this sensitivity either before or after identifying potential regional transmission solutions to the Long-Term Regional	24.11.1.6

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			Transmission Needs identified using those Long-Term Scenarios.	
	1920	597	Include more sensitivities if transmission provider chooses (e.g., cyber-attack, significant forecast error, or fuel price volatility).	24.11.1.6
Specificity of Data Inputs	1920	633	Require transmission providers to use “best available data inputs” when developing Long-Term Scenarios: data inputs that are timely, developed using best practices and diverse and expert perspectives, and adopted via a process that satisfies the transmission planning principles of Order Nos. 890 and 1000.	24.11.1.5
	1920	633	Require transmission providers to update, as necessary, all data inputs each time they reassess and revise their Long-Term Scenarios.	24.11.1
	1920	634	Require that the Order Nos. 890 and 1000 transmission planning principles apply to the process through which transmission providers determine which data inputs to use in their Long-Term Scenarios.	24.11.1.5
	1920	634	Provide stakeholders with an opportunity to provide timely and	24.11.1.3, referenced in 24.11.1.5

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			meaningful input during each cycle concerning which data inputs to use in the Long-Term Scenarios.	
	1920	634	Right to challenge data inputs via dispute resolution as discussed in Order No. 890 is available for interested parties with respect to data inputs.	Existing Section 13
	1920	635	Use best available data when determining whether each factor is likely to affect Long-Term Regional Transmission Needs; and use best available data when transmission planner accounts for that factor in the development of Long-Term Scenarios.	24.11.1.5
	1920	642	Apply requirement of Order No. 890 to disclose methodology, criteria, assumptions, data and other information that underlie transmission plans, including Long-Term Scenarios.	24.11
	1920	643	Must update the data inputs at least once at the outset of each Long-Term Regional Transmission Planning cycle.	24.11.1
Benefits of Regional Transmission Facilities	1920	719	Measure a set of seven required benefits for Long-Term Regional Transmission Facilities under each	24.11.2

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			Long-Term Scenario; use the measured benefits to evaluate the facilities.	
	1920	745	Benefit 1: avoided or deferred reliability transmission facilities and aging transmission infrastructure replacement: reduced costs due to avoided or delayed transmission investment otherwise required to address reliability needs or replace aging transmission facilities.	24.11.2(1)
	1920	755	Benefit 2: Reduced loss of load probability or reduced planning reserve margin: reduced frequency of loss of load events by providing additional pathways for connecting generation resources with load in regions that can be constrained by weather events and unplanned outages; cannot measure both simultaneously.	24.11.2(2)
	1920	767	Benefit 3: Production cost savings: savings in fuel and other variable operating costs of power generation that are realized when transmission facilities allow for displacement of higher-cost supplies through the increased dispatch of supplies that	24.11.2(3)

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			have lower incremental costs of production, as well as a reduction in market prices as lower-cost suppliers set market clearing prices.	
	1920	781	Benefit 4: reduced transmission energy losses: the reduced total energy necessary to meet demand stemming from reduced energy losses incurred in transmittal of power from generation to loads.	24.11.2(4)
	1920	788	Benefit 5: reduced congestion due to transmission outages, reduced production costs resulting from avoided congestion during transmission outages.	24.11.2(5)
	1920	800	Benefit 6: reduced production costs and reduced loss of load (or emergency procurements necessary to support the system), including due to increased Interregional Transfer Capability, during extreme weather events and unexpected system conditions, such as unusual weather conditions or fuel shortages that result in multiple concurrent and sustained generation and/or transmission outages.	24.11.2(6)

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	800; 804	Account for both extreme weather events and unexpected system conditions when transmission facilities have particularly high value. Must account for mitigation of unexpected system conditions during periods when transmission facilities have particularly high value, not only during extreme weather events.	24.11.2(6)
	1920	804	Account for circumstances that contribute to these infrequent and high-value periods specific to their transmission planning region when measuring Benefit 6.	24.11.2(6)
	1920	805	Measure the benefits associated with any increase in Interregional Transfer Capability that a Long-Term Regional Transmission Facility would provide during an extreme weather event and unexpected system conditions that results in multiple concurrent and sustained generation and/or transmission outages.	24.11.2(6)
	1920	817	Benefit 7: Capacity cost benefits from reduced peak energy losses: reduced generation capacity investment needed to meet peak load.	24.11.2(7)

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	837	Include a general description of how the transmission provider will measure each of the seven benefits included in the required set of benefits.	24.11.2
	1920	859	Transmission providers must calculate the benefits of Long-Term Regional Transmission Facilities over a time horizon that covers, at a minimum, 20 years starting from the estimated in-service date of the transmission facilities; requires that this minimum 20-year benefit horizon be used both for the evaluation and selection of Long-Term Regional Transmission Facilities.	24.11.2
	1920	859	To the extent that transmission providers estimate the costs of Long-Term Regional Transmission Facilities beyond the in-service date of the transmission facilities, they must estimate those future costs over the same time horizon as the estimated benefits.	24.11.2
	1920	862	Does not require the transmission providers to select any transmission facilities as part of Long-Term Regional Transmission Planning.	24.11.3.3

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	889	Allows, but does not require. transmission providers to use a portfolio approach when evaluating the benefits; must include provisions in their OATTS regarding their use of the portfolio approach.	n/a
	1920	889	Flexibility to switch between or use both facility-by-facility approaches and may use either or both within the same Long-Term Regional Transmission Planning cycle.	n/a
Requirement to Adopt an Evaluation Process and Selection Criteria	1920	911	Include in the tariff an evaluation process, including section criteria, they will use to identify and evaluate Long-Term Regional Transmission Facilities for potential selection.	24.11.3, 24.11.3.3
	1920	912	Transmission developer selected, whether incumbent or nonincumbent, will be eligible to use the applicable cost allocation method.	24.11.4
	1920	916	Evaluation process that: (1) identifies Long-Term Regional Transmission Facilities that address Long-Term Regional Transmission Needs; (2) measures the benefits of the identified Long-Term Regional Transmission Facilities consistent with the final rule requirement; and	24.11.3

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			(3) designates a point in the evaluation process at which transmission providers will determine whether to select or not select identified facilities for purposes of cost allocation.	
Flexibility	1920	924	Propose, after consultation with Relevant State Entities and other stakeholders, evaluation processes, including selection criteria that they believe will ensure that more efficient or cost-effective facilities are selected.	n/a CAISO engaged in a stakeholder process to discuss compliance proposals and also met with held regular meetings with state agency staff to discuss compliance efforts
Minimum Requirements	1920	954	Propose evaluation process, including selection criteria, that are transparent and not unduly discriminatory.	24.11.3
	1920	955	Evaluation process, including selection criteria, that aim to ensure the more efficient or cost-effective Long-Term Regional Transmission Facilities are selected to address needs. Must identify one or more facilities that address needs.	24.11.3; 24.11.1.4; 24.3.2
	1920	955	Nonincumbent developers must be able to propose transmission facilities – identify a point at which they will accept proposals from stakeholders.	24.11.3.1

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	955	Evaluation process must estimate the costs and measure the benefits of the facilities that are identified or proposed for potential selection, in addition to evaluating facilities using any qualitative or other quantitative selection criteria.	24.11.3
	1920	955	Identify a point in the evaluation process at which transmission providers will determine whether to select or not select identified facilities no later than three years following the beginning of the cycle.	24.11.4
	1920	954, 955	Culminate in determinations that are sufficiently detailed for stakeholders to understand why a facility was or was not selected.	24.11.4
	1920	958	May not impose as a selection criterion a minimum benefit-cost ratio that is higher than 1.25-to-1.00.	24.11.3.3
	1920	964	Require evaluation processes, including selection criteria, to seek to maximize benefits accounting for costs over time without over-building transmission facilities.	24.11.3.3
Role of Relevant State Entities	1920	994	Consult with Relevant State Entities regarding the evaluation process, including selection criteria, the	n/a

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			transmission providers propose to use to identify and evaluate facilities for selection – describe on compliance a good faith effort to consult with and seek support from Relevant State Entities.	CAISO held regular meetings with state agency staff to discuss compliance efforts, including evaluation process,
Voluntary Funding Opportunities	1920	1012	Include a process to provide Relevant State Entities and interconnection customers with the opportunity to voluntarily fund the cost of, or a portion of the cost of, a Long-Term Regional Transmission Facility that otherwise would not meet the transmission providers' selection criteria.	24.11.5.1
	1920	1012	Consult with and seek support from Relevant State Entities when developing a process to provide voluntary funding opportunity.	n/a CAISO held regular meetings with state agency staff to discuss compliance efforts,
	1920	1013	Describe (1) process by which voluntary funding opportunities become available, which must include timely notice and provide a meaningful opportunity; (2) period during which right may be exercised; (3) method that transmission providers will use to determine the	24.11.4, 24.11.5.1

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			amount of voluntary funding required to ensure the facility meets the selection criteria; (4) mechanism through which transmission providers and Relevant State Entities or interconnection customers will memorialize any voluntary funding agreement (<i>i.e., a pro forma</i>)	
Reevaluation	1920	1048	Require provisions that require reevaluation of facilities that were previously selected in certain circumstances.	24.11.6
	1920	1049	Certain circumstances: (1) delays in the development of a previously selected Long-Term Regional Transmission Facility would jeopardize a transmission provider's ability to meet its reliability needs or reliability-related service obligations; (2) 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; or (3) significant changes in federal, federally-recognized Tribal, state, or local laws or regulations cause reasonable concern that a previously	24.11.6.1

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			selected facility may no longer meet the selection criteria.	
	1920	1050	Include specific criteria in the OATT that CAISO will use to determine when one of these three situations occurs, thereby triggering the reevaluation.	24.11.6.1
	1920	1050	Designate a point after which all selected Long-Term Regional Transmission Facilities will no longer be subject to reevaluation.	24.11.6
	1920	1051	May not re-evaluate any selected facility on basis of significant changes in laws or regulations unless during the planning cycle in which the facility was selected, the facility's targeted in-service date was in the latter half of the 20-year planning horizon.	24.11.6
	1920	1052	Include process and procedures that will be used to re-evaluate a previously selected Long-Term Regional Transmission Facility, including potential outcomes of reevaluation (<i>i.e.</i> , taking no action, imposing a mitigation plan, reassignment, modifying facility, removing facility from plan).	24.11.6.2

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	1052	Reevaluation on basis of cost increases or significant changes in laws or regulations must be part of a subsequent cycle following selection and must take into account not only the updated costs but also the updated benefits.	24.11.6.2
	1920	1052	Processes and procedures must include mechanisms for tracking costs so that transmission providers have an accurate way to determine if the actual or projected costs of the previously selected facility exceed cost estimates by the relevant threshold.	24.11.6.1
	1920	1052	Reevaluation processes and procedures must seek to maximize benefits accounting for costs over time without over-building transmission facilities.	24.11.6.2
	1920	1055	No requirement to subject selection status of previously selected facilities to the outcome of subsequent planning cycles.	n/a
Initial Timing Sequence Implementation	1920	1071	Explain how the initial timing sequence interacts with existing regional transmission planning processes; must provide any	n/a Discussed in Section III of the CAISO's transmittal letter.

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			information necessary to ensure that stakeholders understand the interactions: (1) possible interaction between Long-Term Regional Transmission Planning and existing Order No. 1000 regional transmission planning processes, and (2) address possible displacement of regional transmission facilities from existing regional transmission planning processes.	
	1920-A	507	Propose a compliance date no later than two years from the date on which initial filings to comply are due.	CAISO requests a February 1, 2027, effective date and proposes to begin its first Long-Term Regional Transmission Planning cycle in Q2 of 2027 and issue its first Long-Term Regional Transmission Plan in Q2 of 2030.
	1920-A	508	Explain why the proposed date is necessary and appropriately tailored for their transmission region.	n/a Discussed in Section III of the CAISO's transmittal letter.
Coordination of Regional Transmission Planning and Generator Interconnection Processes	1920	1106	Revise regional transmission planning process to evaluate for selection regional transmission facilities that address certain identified interconnection-related transmission needs associated with certain	24.4.6.5

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			interconnection-related network upgrades originally identified through the generator interconnection process.	
	1920	1107	Evaluate for selection certain identified interconnection-related transmission needs in existing regional transmission planning processes.	24.4.6.5
	1920	1107	Require that an interconnection-related network upgrade associated with identified interconnection-related transmission needs must satisfy both the minimum cost and voltage criteria.	24.4.6.5
Transmission Planning Process Evaluation	1920	1126	Evaluate regional transmission facilities that address certain interconnection-related transmission needs in their existing Order No. 1000 regional transmission planning and cost allocation processes.	24.3.1(e); 24.4.5; 24.4.6.5
Qualifying Criteria	1920; 1920-A	1145; 545	Qualifying criteria 1: transmission provider has identified interconnection-related network upgrades in interconnection studies in at least two interconnection queue cycles.	24.4.6.5

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	1145	Qualifying criteria 2: voltage of at least 200 kV and an estimated cost of at least \$30 million.	24.4.6.5
	1920; 1920-A	1145; 545	Qualifying criteria 3: the interconnection request(s) driving the need for the upgrade(s) in two or more cycles have been withdrawn and no more than five calendar years have passed between the date of an earlier interconnection request withdrawal and the date of a later interconnection request withdrawal.	24.4.6.5
	1920	1145	Qualifying criteria 4: the transmission provider has not identified an interconnection-related network upgrade to address the relevant interconnection-related transmission need in an executed GIA or GIA that the interconnection customer requested be filed unexecuted.	24.4.6.5
	1920-A	545	Qualifying criteria 5: the interconnection request withdrawals associated with the repeatedly identified interconnection-related transmission need occurred no earlier than seven calendar years prior to the commencement date of the Order No. 1000 regional transmission	24.4.6.5

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			<p>planning and cost allocation cycle. The initial evaluation should occur in the first Order No. 1000 regional transmission planning and cost allocation cycle after the effective date of the tariff revisions implementing this reform. The transmission provider does not need to evaluate an interconnection-related transmission need that has been evaluated in a previous Order No. 1000 regional transmission planning and cost allocation cycle.</p>	
Consideration of Dynamic Line Ratings and Advanced Power Flow Control Devices	1920	1198	<p>Require transmission providers in both Long-Term Regional Transmission Planning and existing Order No. 1000 regional transmission planning processes, dynamic line ratings and advanced power flow control devices for each identified transmission need, including new regional transmission facilities as well as upgrades to existing transmission facilities; specifically (1) dynamic line ratings; (2) advanced power flow control devices; (3) advanced conductors; (4) transmission switching.</p>	Appendix A; 24.1; 24.2(d); 24.3.1(j); 24.4.2; 24.4.7(l); 24.4.8

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	1198, 1199, 1201	Consider whether regional facilities that incorporate, or consist solely of, these technologies would be more efficient or cost-effective than selecting new facilities or upgrades without them.	24.4.5
	1920	1205	Identify with sufficient detail the point or points in a given process at which the transmission provider will consider the potential use of alternative transmission technologies, including the point at which qualified transmission developers must submit any proposal to incorporate alternative transmission technologies.	24.5.2.3(q)
	1920	1214	Require a determination to include an explanation that is sufficiently detailed for stakeholders to understand why these advanced technologies were, or were not, incorporated into selected regional transmission facilities.	24.4.8
Cost Allocation Methods for Long-Term Regional Transmission Facilities	1920	1291, 1367	File one or more <i>ex ante</i> cost allocation methods that apply to selected Long-Term Regional Transmission Facilities.	24.11.5, 24.14

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
	1920	1301	To the extent that transmission providers believe that their existing cost allocation methods comply with the requirements adopted in this final rule, they may demonstrate in their compliance filings that such methods, as applied to Long-Term Regional Transmission Facilities, would comply with the requirements of this final rule.	n/a Discussed in Section III of the CAISO's transmittal letter.
	1920-A	628; 691	Requirement that transmission providers shall consult with Relevant State Entities (1) prior to amending the Long-Term Regional Transmission Cost Allocation Method(s) and/or State Agreement Process(es), or (2) if Relevant State Entities seek, consistent with their chosen method to reach agreement, for the transmission provider to amend that method or process.	24.14
	1920-A	691	For consultation initiated by transmission providers, required to document publicly on OASIS or other public website the results of their consultation with Relevant State Entities prior to filing the amendment.	24.14

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
Requirement that Transmission Providers Seek the Agreement of Relevant State Entities Regarding the Cost Allocation Method or Methods for Long-Term Regional Transmission Facilities	1920	1357-1358	Establish a six-month Engagement Period, during which transmission providers must (1) provide notice of the starting and end dates for the six-month time period; (2) post contact information that Relevant State Entities may use to communicate with transmission providers about any agreement among Relevant State entities on a Long-Term Regional Transmission Cost Allocation Method(s) and/or a State Agreement Process, as well as a deadline for communicating such agreement; and (3) provide a forum for negotiation of a Long-Term Regional Transmission Cost Allocation Method(s) and/or a State Agreement Process that enables meaningful participation by Relevant State Entities.	n/a Discussed in Section III of the CAISO's transmittal letter.
	1920; 1920-A	1354, 1356; 684	Notice must be on public website or OASIS and include start/end dates, a forum for negotiation, and a single point of contact	n/a Discussed in Section III of the CAISO's transmittal letter.
Filing Rights Under FPA	1920	1429	Transmission providers will decide what Long-Term Regional Transmission Cost Allocation Method(s) and any State Agreement	n/a Discussed in Section III of the CAISO's transmittal letter.

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			Process to file as part of their compliance filings.	
	1920-A	651	Transmission provider must include any Relevant State Entity agreed method or process in the transmittal letter or as an attachment to their compliance filing.	n/a Discussed in Section III of the CAISO's transmittal letter.
Long-Term Regional Transmission Facility Cost Allocation Compliance with the Existing Six Order No. 1000 Cost Allocation Principles	1920	1469; 1471	Require Long-Term Regional Transmission Cost Allocation Methods to comply with five of the six existing Order No. 1000 regional cost allocation principles: (1) costs must be allocated to those within the region that benefit from the facilities in a manner that is at least roughly commensurate with estimated benefits; (2) those that receive no benefit from transmission facilities, either at present or in a likely future scenario, must not be involuntarily allocated any of the costs of those transmission facilities; (3) a benefit to cost threshold ratio, if adopted, cannot exceed 1.25-to-1; (4) costs must be allocated solely within the transmission planning region unless another entity outside the region voluntarily assumes a portion of those	n/a Discussed in Section III of the CAISO's transmittal letter.

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			costs; (5) the method for determining benefits and identifying beneficiaries must be transparent.	
	1920	1474	May not establish reliability, economic, or public policy transmission facility types as part of Long-Term Regional Transmission Planning and, therefore, may not establish methods based on reliability, economic, or public policy transmission facility types.	n/a The CAISO does not propose these facility types in its compliance filing.
Enhanced Transparency of Local Transmission Planning Inputs in the Regional Transmission Planning Process	1920	1625	Revise regional transmission planning processes to enhance transparency of (1) criteria, models, and assumptions that they use in their local transmission planning process; (2) local transmission needs that they identify through the local transmission planning process; (3) the potential local or regional transmission facilities that they will evaluate to address those local transmission needs.	n/a The CAISO already completes coordinated local and regional planning; process of conducting integrated local and regional planning is superior to transmission owners conducting their own local planning and coordinating with a regional process.
	1920	1625	Transmission providers must identify and publicly post the information identified below, then conduct publicly-noticed stakeholder meetings to provide an opportunity for	n/a Specific compliance described in rows below.

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			comment on the information both before and after the stakeholder meeting.	
	1920	1626	Three publicly-noticed stakeholder meetings per regional transmission planning cycle concerning the local transmission planning process of each transmission provider that is a member of the transmission planning region before each transmission provider's local transmission plan can be incorporated into the transmission planning region's planning models.	n/a Specific compliance described in rows below
	1920	1627	1 st meeting: review the criteria, assumptions, and models related to each transmission provider's local transmission planning (Assumptions Meeting).	24.3.3 CAISO's existing Unified Planning Assumptions/Study Plan Meeting meets this requirement; tariff revised to align terminology.
	1920	1627	2 nd meeting: no fewer than 25 calendar days after the Assumptions meeting, a stakeholder meeting to review identified reliability criteria violations and other transmission needs that drive the need for local	24.4.9 CAISO's existing reliability and policy/economic results meetings meet this requirement; tariff revised to align terminology

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			transmission facilities (Needs Meeting).	
	1920	1627	3 rd meeting: no fewer than 25 calendar days after the Needs Meeting, a meeting to review potential solutions to those reliability criteria violations and other transmission needs (Solutions Meeting).	24.4.9 CAISO's existing draft comprehensive transmission plan meeting addresses this requirement; tariff revised to align terminology
	1920	1627	Opportunities before and after each meeting to submit comments.	24.4.9
	1920	1628	Must publicly post the meeting materials no fewer than five calendar days prior to each of the three publicly-noticed stakeholder meetings to allow time for stakeholders to review materials in advance of each meeting.	24.3.3; 24.4.9
	1920	1628	Transmission providers must respond to questions or comments from stakeholders such that it allows stakeholders to meaningfully participate in these three required stakeholder meetings.	24.3.3; 24.4.9
Identifying Potential Opportunities to Right-Size Replacement Transmission Facilities	1920	1677	Transmission providers must evaluate whether facilities (1) operating above specified kV threshold, and (2) that an individual transmission provider that	24.11.3.2

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			owns the facility anticipates replacing in-kind with a new transmission facility during the next ten years can be “right-sized” to more efficiently or cost-effectively address a Long-Term Transmission Need; voltage threshold must be below 200 kV.	
	1920-A	881	In-kind replacement estimates for facilities operating at or above 200 kV, but transmission provider can establish a lower threshold.	24.11.3.2
	1920	1677	Sufficiently early in each Long-Term Regional Transmission Planning cycle, each transmission provider submits its in-kind replacement estimates.	24.11.3.2
	1920	1681	Must be evaluated in the same manner as any other proposed Long-Term Regional Transmission Facility to determine whether it is the more efficient or cost-effective transmission facility to address the transmission need.	24.11.3.2
	1920	1685	Ten-year timeframe for in-kind replacement estimates.	24.11.3.2
Right of First Refusal	1920	1702	Require a federal right of first refusal for a right-sized replacement transmission facility that is selected.	24.11.4

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
Interregional Transmission Coordination	1920	1751	Require transmission providers to revise existing interregional transmission coordination procedures to reflect the Long-Term Regional Transmission Planning reforms adopted in this final rule. Revise procedures to provide for: (1) sharing of information regarding respective Long-Term Regional Transmission Needs and facilities; and (2) identification and joint evaluation of interregional transmission facilities that may be more efficient or cost-effective facilities to address Long-Term Regional Transmission Needs.	24.18, 24.18.2, 24.18.3.2
	1920	1752	Revise coordination procedures to allow an entity to propose an interregional transmission facility in the regional transmission planning process as a potential solution to Long-Term Regional Transmission Needs.	24.18.3
	1920	1753	Must post on public website or through email list used for communication of information related to interregional transmission coordination procedures: (1) the	24.18.1(iv)(a)-(e)

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			Long-Term Regional Transmission Needs discussed in the interregional transmission coordination meetings; (2) any interregional transmission facilities proposed or identified in response to Long-Term Regional Transmission Needs; (3) the voltage level, estimated cost, and estimated in-service date of the interregional transmission facilities proposed or identified; (4) the results of any cost-benefit evaluation of such interregional transmission facilities, with results including both any overall benefits identified as well as any benefits particular to each transmission planning region; and (5) interregional transmission facilities, if any, selected to meet Long-Term Regional Transmission Needs.	
Compliance Procedures	1920	1768	Compliance filing due within ten months of the effective date of the final rule.	n/a CAISO received Order extending deadline up to an including December 12, 2025.
	1920	1770	Compliance filing related to interregional transmission	n/a

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
			coordination requirements due within twelve months of the effective date of final rule.	CAISO received Order extending deadline up to an including December 12, 2025.
	1920-A	677	Extension of up to 12 months for Relevant State Entity engagement period to be granted if unanimously requested by states.	n/a
	1920-A	921	Apply “consistent with or superior standard” to <i>all</i> requirements of Order No. 1920, not just the OATT provisions.	n/a CAISO seeks no variations.
	1920-A	923	Clarify that transmission providers must consult with stakeholders to develop the processes, procedures, and OATT revisions necessary to comply with Order No. 1920.	n/a CAISO held stakeholder meetings and posted draft tariff language for feedback.

CHART TWO: Changes to Align Transmission Processes

Topic	1920, 1920-A, 1920-B	Par.	Requirement	Proposed Tariff Section
CAISO Proposed Changes to Align Implementation of Planning Cycles	n/a	n/a	Describes two separate planning processes (comprehensive and Long-Term) and time cycles.	24.1
	n/a	n/a	Moves to bi-annual plan (every two years).	24.2, 24.3; 24.3.1(c); 24.3.1(e), 24.4.1(c), 24.8.5
	n/a	n/a	Provides unique procedures to complete the 2025/2026, 2026/2027, 2027/2028 Transmission Plans.	24.1.1
	n/a	n/a	Establishes annual reliability update.	24.3.3.1; 24.4.10
Competitive Solicitation Eligibility	n/a	n/a	Projects selected in the Long-Term Transmission Planning Process and eligible for competitive solicitation will go through Phase 3 of comprehensive regional transmission planning process.	24.2, 24.5.1, 24.5.2, 24.5.2.1, 24.5.2.2, 24.5.3.1, 24.5.3.2, 24.11.4
Interconnection-Related Transmission Facilities	n/a	n/a	Remove outdated references to earlier interconnection process appendices for purposes of evaluating interconnection-related facilities.	24.3.1, 24.4.6.5