

*ORA Comments To The May 28, 2014 Revised Draft Proposal For Revisions  
To The CAISO Transmission Planning Standards*

Submitted by	Company	Date Submitted
Charles Mee, P.E. Senior Utilities Engineer (Specialist) <a href="mailto:Charles.Mee@cpuc.ca.gov">Charles.Mee@cpuc.ca.gov</a> (415) 703-1816  Traci Bone, Attorney <a href="mailto:Traci.Bone@cpuc.ca.gov">Traci.Bone@cpuc.ca.gov</a> (415) 703-2048	Office of Ratepayer Advocates	June 18, 2014

**COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES OF THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION ON THE CAISO’S  
MAY 28, 2014 REVISED DRAFT STRAW PROPOSAL  
TO AMEND ITS TRANSMISSION PLANNING STANDARDS**

**I. INTRODUCTION**

On April 4, 2014, the California Independent System Operator Corporation (CAISO) posted its Straw Proposal Revision to ISO Transmission Planning Standards (Straw Proposal) for public comment. On April 11, 2014, the CAISO held a stakeholder meeting to discuss the Straw Proposal.<sup>1</sup> The Office of Ratepayer Advocates (ORA) filed comments on the April 4 Straw Proposal on April 25, 2014. On May 28, 2014 the CAISO issued a “Revised Draft Straw Proposal” to address parties’ comments on the initial Straw Proposal (May 28 Draft Proposal).

Unfortunately, the May 28 Draft Proposal does not adequately address the issues raised by ORA in its April 25 Comments, which identified a number of technical deficiencies with the Straw Proposal, and provided detailed explanations. For ease of access, those April 25 Comments are attached to these comments. Most significantly, the May 28 Draft Proposal:

1. Does not explain why the existing NERC reliability standards are not stringent enough to meet the state’s needs; and

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<sup>1</sup> During the stakeholder meeting, the CAISO presented a powerpoint summary of the Straw Proposal and answered stakeholder questions regarding the Straw Proposal. *See* <http://www.caiso.com/Documents/AgendaPresentation-TransmissionPlanningStandards-April112014Meeting.pdf>

2. Does not provide any analysis to demonstrate that the costs of the CAISO's more stringent standards are justified by the benefits they will provide to consumer.

In addition to these substantive concerns, ORA has two procedural concerns with the CAISO's adoption of the planning standards in the May 28 Draft Proposal.

1. California Public Utilities Code § 345.5 requires the CAISO to reduce "to the extent possible, overall economic cost to the state's consumers;" and
2. The CAISO appears to be proceeding to adopt its own planning standards with Board Approval and no further review from the Federal Energy Regulatory Commission.<sup>2</sup>

Given the combination of these two factors – an obligation to reduce costs to California consumers combined with *de minimus* procedural protections afforded to those consumers – any CAISO-proposed planning standards exceeding NERC standards must meet the substantive requirements set forth above. The CAISO should demonstrate that (1) NERC's standards are deficient; and (2) the benefits to California consumers justify the costs. The May 28 Draft Proposal fails on both counts.

ORA recommends that the CAISO re-evaluate the recommendations made in ORA's April 25 Comments, which are attached. Here, ORA offers the following limited and specific comments based upon some of the modifications included in the May 28 Draft Proposal.

## II. DISCUSSION

### A. Cost Benefit Analysis Must Be A Primary Consideration In Considering CAISO Planning Standards That Exceed NERC Standards.

While ORA appreciates the CAISO's effort to address ORA's April 25 Comments, the May 28 Draft Proposal does not reflect that effort. Most significantly from a consumer perspective, the CAISO's May 28 Draft Proposal fails to accord sufficient importance to cost-benefit analysis. It expressly rejects cost-benefit analysis as the "main driver" for determining whether transmission upgrades or an acceptable level of load shedding to an area is justified, and finds that the role of cost-benefit analysis is merely to "provide additional information" in making these determinations:

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<sup>2</sup> See, e.g., May 28 Draft Proposal, p. 1: "...ISO's FERC-approved tariff provides for the approval of Planning Standards by the ISO's Board of Governors, which provides the necessary vehicle for needs specific to the ISO controlled grid to be properly addressed in ensuring acceptable system reliability."

The ISO considers that [Benefit to Cost Ratio] type calculations may be provided as additional information when planning for non-consequential load loss in these type of events however this data may not be the main driver or sole justifier for decisions to move forwards with either SPS or transmission upgrades.<sup>3</sup>

The CAISO bases this determination on its conclusions that “existing modeling capabilities” cannot properly quantify the impact of load shedding for “large and complex networked transmission systems.”

ORA respectfully disagrees with the CAISO regarding the role of cost-benefit analyses when it is considering reliability standards more stringent than NERC’s – such as the CAISO’s local area proposals to disallow the use of special protection schemes (SPS). As an initial matter, the CAISO must show that the NERC reliability standards are deficient in some way. Then, in proposing any solution to this identified deficiency, the CAISO must demonstrate that the benefits to consumers outweigh the costs involved in any new standard that exceeds NERC’s.

Neither state law nor state energy policy<sup>4</sup> permits the CAISO to treat cost-benefit analyses as merely “additional information” of secondary importance when considering whether to adopt more stringent reliability standards. Thus, if existing cost-benefit models are not sufficiently robust – which ORA does not necessarily agree with – then they should be improved, rather than relegating cost-benefit analysis to a secondary consideration.

**B. Population Is Not An Appropriate Criterion For Determining Whether An Existing Special Protection Scheme Should Be Eliminated; The NERC Approach Based On Technical Parameters Is More Appropriate**

The CAISO’s Straw Proposal of April 4 proposed to eliminate SPSs in major urban areas based on population density. Specifically, the April 4 Straw Proposal proposed that a threshold of 1,000 people/square mile would limit the application of the SPS standard to small portions of California with high population densities.<sup>5</sup>

ORA observed in its April 25 Comments that the CAISO’s Straw Proposal failed to specifically identify a problem requiring a solution or to provide any substantive analysis showing that its proposed standards eliminating SPSs in major urban areas would be a cost-

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<sup>3</sup> May 28 Draft Proposal, p. 7.

<sup>4</sup> See ORA’s April 25 Comments, Attachment A hereto, pp. 1-2 for specific legal references.

<sup>5</sup> Straw Proposal, p. 5.

effective means of solving the purported concerns.<sup>6</sup> ORA then noted that if the CAISO intended to move forward regardless of the lack of supporting analysis, its plan to eliminate SPSs based on population density was inappropriate because far more than 100 California cities easily met the CAISO's population density threshold.

The CAISO's May 28 Draft Proposal appears to address ORA's concern by rejecting the initial proposal of 1,000 people/square mile in favor of the U.S. Census Bureau's definition of "Urbanized Area" as an area with a population of over one million people.<sup>7</sup>

This new proposal does not resolve the issues identified by ORA. As an initial matter, ORA provided many technical observations regarding why the CAISO's approach to eliminating SPSs was unsound. The CAISO's misuse of population density was only one of the problems. The CAISO's revised proposal to use a new threshold of population based on a Census definition of "Urbanized Area" is as flawed as the initial proposal. Among other things, using the gross number of one million people for an undefined geographic area does not reflect population density, or the load, transmission, and generation situation of an area.

It is important to recognize that the recently adopted NERC TPL-001-4 regarding the implementation of SPSs does not use population as a criterion for whether an SPS is appropriate. The NERC standard is based on pure technical criteria including Bulk Electric System (BES) events, fault types, and BES voltage levels.<sup>8</sup> It was developed based on input from transmission planners, transmission operators, reliability coordinators, and professional engineers nation-wide. The NERC approach, based on pure technical parameters, is considered, appropriate, and equitable, and should not be abandoned without careful study justifying new standards.

To reiterate ORA's initial observation, the CAISO needs to demonstrate why the NERC standards are not sufficient; it needs to succinctly identify a problem that needs fixing. Then it needs to explain why its solution is the best and most economic way to fix the problem. The CAISO's May 28 Draft Proposal does not provide any of this analysis. Consequently, the CAISO's proposed changes to its planning standards should be rejected until such time as the reasoned analysis justifies their adoption.

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<sup>6</sup> See ORA's April 25 Comments, Attachment A hereto, pp. 2-7 and specifically p. 5.

<sup>7</sup> May 28 Draft Proposal, p. 5.

<sup>8</sup> NERC Standard TPL-001-4 Table 1.

**ATTACHMENT A TO ORA’S JUNE 18, 2014 COMMENTS**

<b>Submitted by</b>	<b>Company</b>	<b>Date Submitted</b>
Zita Kline, Regulatory Analyst <a href="mailto:Zita.Kline@cpuc.ca.gov">Zita.Kline@cpuc.ca.gov</a> (415) 703-3113	Office of Ratepayer Advocates	April 25, 2014
Traci Bone, Attorney <a href="mailto:Traci.Bone@cpuc.ca.gov">Traci.Bone@cpuc.ca.gov</a> (415) 703-2048		

**COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION ON THE CAISO’S STRAW PROPOSAL TO REVISE ITS TRANSMISSION PLANNING STANDARDS**

**I. INTRODUCTION**

On April 4, 2014, the California Independent System Operator Corporation (CAISO) posted its Straw Proposal Revision to ISO Transmission Planning Standards (Straw Proposal) for public comment. On April 11, 2014, the CAISO held a stakeholder meeting to discuss the Straw Proposal.<sup>1</sup>

The Office of Ratepayer Advocates (ORA) is keenly interested in issues regarding CAISO Planning Standards because CAISO Planning Standards are essentially reliability standards exceeding those required by North American Energy Reliability Council (NERC). New CAISO planning standards therefore potentially trigger the need for infrastructure investment to meet those higher standards, and will potentially result in higher Transmission Access Charges (TAC) for ratepayers.

The CAISO has an obligation to consider the cost-consequences of its proposals and decisions. California Public Utilities Code § 345.5 imposes a statutory obligation on the CAISO to reduce “to the extent possible, overall economic cost to the state’s consumers.” This

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<sup>1</sup> During the stakeholder meeting, the CAISO presented a powerpoint summary of the Straw Proposal and answered stakeholder questions regarding the Straw Proposal. See <http://www.caiso.com/Documents/AgendaPresentation-TransmissionPlanningStandards-April112014Meeting.pdf>

obligation is emphasized by state energy policy. Among other things, the California Public Utilities Commission (CPUC) has repeatedly rejected the concept of “reliability at any cost.” See D.05-10-042, p. 7: “... the concept embodied in the phrase "reliability at any cost" is not a policy option. Ultimately, measures that are proposed to promote greater grid reliability should be evaluated by weighing their expected costs against the value of their expected contribution to reliability.”<sup>2</sup>

Notwithstanding these clear legislative and policy mandates, the Straw Proposal does not reflect an effort to reduce “to the extent possible, overall economic cost to the state's consumers.” The CAISO has not presented any analysis to demonstrate that the NERC standards are insufficient to ensure reliability.

These comments focus on:

1. The proposed standards for non-consequential load dropping during Category C contingencies; and
2. The San Francisco peninsula extreme event reliability standard.

## **II. DISCUSSION**

### **A. Standards for Non-Consequential Load Dropping During Category C Contingencies**

#### **1. Background**

The NERC Transmission Planning (TPL) Standards are national requirements setting minimum standards for contingency selection, transmission performance, and criteria determining whether continuity of service to customers is maintained. TPL-003,<sup>3</sup> the current NERC standard for Category C contingencies, addresses the loss of two or more Basic Electric System (BES) elements (such as a major transmission line or generation supply) and requires that the system be stable and within both thermal and voltage system limits during that loss. However planned/controlled loss of demand or curtailment of firm transfers is allowed.

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<sup>2</sup> This policy is reiterated in multiple Commission decisions, including D.06-04-040, D.10-06-018, D.13-04-013, and D.14-03-004.

<sup>3</sup> TPL-003 contingencies are also known as Category C contingencies.

The recently approved NERC TPL Standards (TPL-001-4) will replace Category C contingencies with contingency categories P4 to P7.<sup>4,5</sup> TPL-001-4 requires that there be no non-consequential load loss for some multiple contingencies, including (1) an extra high voltage (EHV)<sup>6</sup> stuck breaker (P4), or (2) an EHV relay failure (P5). However, the new NERC TPL Standards continue to allow the controlled loss of load either consequential or non-consequential for the overlapping loss of two non-generation transmission elements (P6) or the simultaneous loss of two elements sharing a common structure (P7).

NERC allows Regional Reliability Organizations (RROs) or Planning Authorities (PAs) such as the CAISO to establish more stringent standards as may be appropriate for their area. The Straw Proposal proposes a more stringent standard, which will prohibit non-consequential loss of load using a special protection scheme (SPS) following a Category C<sup>7</sup> event for portions of the CAISO controlled transmission system where the population density exceeds 1,000 people/square mile (the “SPS standard.”)<sup>8</sup> SPS could still be used in non-urban areas or as an interim solution.<sup>9</sup> As a basis for this position, the Straw Proposal is described as codifying the “ISO’s current practice in local area planning”, which “is to not rely upon high density urban load shedding as a long term planning solution for Category C contingencies.”<sup>10</sup> The CAISO states that “[t]he need for system reinforcement in a number of local areas is expected to climb due to protected resource retirements, with Category C contingencies paying a material role in driving the need for reinforcement. Relying on load on a broad basis to meet these emerging needs would run counter to historical and current practices, resulting in general deterioration of service levels.”<sup>11</sup> The CAISO describes its current practice as not “shed[ding] large blocks of high density urban load for category C contingencies as a long term solution.”<sup>12</sup>

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<sup>4</sup> Standard TPL-001-4 — Transmission System Planning Performance Requirements is available at <http://www.nerc.com/files/TPL-001-4.pdf>.

<sup>5</sup> P3 is a multiple contingency which was originally considered a NERC Category C contingency and a CAISO Category B contingency. The new NERC standard considers P3 to be a category B type contingency.

<sup>6</sup> 345 kV, 500 kV, 765 kV transmission lines are considered EHV for purposes of NERC TPL Standards. *See, e.g.,* Robert Alonzo, *Electrical Codes, Standards, Recommended Practices and Regulations: An Examination of Relevant Safety Considerations*, p. 424.

<sup>7</sup> Category P4 through P7 in the new TPL-001-4.

<sup>8</sup> Straw Proposal, p. 3-6.

<sup>9</sup> Straw Proposal, p. 3.

<sup>10</sup> Straw Proposal, p. 3.

<sup>11</sup> Straw Proposal, p. 4.

<sup>12</sup> Straw Proposal, p. 4.

Currently, 14 SPS systems “drop load for category C contingencies on the 100 kV systems and above”<sup>13</sup> in CAISO’s controlled grid. Two of these SPS systems operate in urban areas and both SPS systems have CAISO approved transmission solutions.<sup>14</sup> The Straw Proposal contains two illustrative maps suggesting that the Straw Proposal’s SPS standard would be applied in limited areas of California, largely encompassing the greater San Francisco, Los Angeles and San Diego areas.<sup>15</sup>

## **2. ORA Recommendation**

### **a. The Criteria For Applying the Standard Should Be Adjusted**

To the extent that the CAISO moves forward regardless, it should not rely on population density as a measure of “urban” load, especially when the threshold is set so low. The Straw Proposal suggests that a threshold of 1,000 people/square mile would limit the application of the SPS standard to small portions of California with high population densities.<sup>16</sup> However this is not the case.

Attachment 1 shows the population densities for the largest 100 California cities. All of these cities easily meet the CAISO’s population density threshold, even cities which may not be in the counties identified as having high population densities in Figure 2 of the CAISO’s Straw Proposal.<sup>17</sup> Even communities of much more modest size easily meet this threshold.<sup>18</sup> It is therefore likely that many of these areas are served by transmission facilities that are currently at risk of consequential loss of load for Category C (and for more modest communities, Category B) contingencies. In other words, if the Straw Proposal were adopted, significant transmission upgrades would be needed to make the transmission systems compliant with the CAISO planning standards, planning standards which are significantly more rigorous than those required by NERC.

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<sup>13</sup> ISO Non-consequential load dropping: Category C Contingencies, PowerPoint (Apr. 11, 2014), slide 13.

<sup>14</sup> ISO Non-consequential load dropping: Category C Contingencies, PowerPoint (Apr. 11, 2014), slide 13.

<sup>15</sup> Straw Proposal, p. 5.

<sup>16</sup> Straw Proposal, p. 5.

<sup>17</sup> Straw Proposal, p. 5.

<sup>18</sup> A few random examples: Auburn – 1,900 pop/mi<sup>2</sup>, Coalinga – 2,200 pop/mi<sup>2</sup>, Livingston – 3,200 pop/mi<sup>2</sup>, Marysville – 3,000 pop/mi<sup>2</sup>, Gonzales – 3,200 pop/mi<sup>2</sup>, Fortuna – 2,400 pop/mi<sup>2</sup>, Susanville – 2,200 pop/mi<sup>2</sup>.

**b. Robust And Relevant Need and Cost/Benefit Analyses Should Be Prepared To Determine Whether The Standard Is Appropriate For Solving The Identified Problem – Comparisons to Manhattan Are Inapposite**

As explained above, the Straw Proposal does not specifically identify a problem that needs to be solved, and fails to provide any substantive analysis showing that the proposed standards are the most cost-effective means for solving the purported problem. With regard to the Category C standard, a showing of need would, at a minimum, include a discussion of the frequency of SPS system use for category C contingencies in several base case scenarios. It would also include a showing of duration of outages. Finally, a proper showing would give cost estimates of economic harm resulting from SPS systems used in California’s urban and suburban cities.

Instead, the Straw Proposal cites very generally to the “potential (economic and safety) impact” resulting from load shedding, comparing economic consequences in California to economic costs justifying special reliability standards in New York City.<sup>19</sup> Such a comparison is inapposite. Among other things, given the Straw Proposal’s analytical reliance on population density, it must acknowledge that economic impacts in New York City, with a population density of 20,000 people/square mile in the borough of Manhattan,<sup>20</sup> would be far more severe than economic impacts in California’s highest density areas, where the population density peaks at around 14,000 people per square mile for the 100 largest cities in California.<sup>21</sup> Additionally, only 8 cities out of the top 100 most populous cities exceed population densities of 10,000 people per square mile, with six of those cities located in Los Angeles County.<sup>22</sup> This suggests that the CAISO cannot make a direct comparison of California economic impacts with economic impacts in New York City using population density as its only metric. Further justification of both need and cost-effectiveness, based on relevant analysis, is needed to justify a planning standard more stringent than NERC reliability criteria.<sup>23</sup>

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<sup>19</sup> Straw Proposal, p. 4.

<sup>20</sup> Population density is based on the 2010 U.S. Bureau Census data. Pol and Thomas, *Demography of Health and Healthcare*, 3<sup>rd</sup> ed. (2013), p. 49.

<sup>21</sup> See Attachment 1.

<sup>22</sup> *Id.*

<sup>23</sup> ORA notes for future discussion that it seriously questions any cost-effectiveness analysis based solely on the estimated cost of the project compared the estimated costs to consumers of an outage, especially when such

**c. Historical Practice at the CAISO Suggests That More Stringent Reliability Standards Could Be Selectively Implemented On The Local Level Without A Blanket Prohibition On SPS Load Dropping As A Permanent Solution For Urban Areas.**

ORA questions the Straw Proposal's representation of historic practices, which suggest that there is more flexibility in determining the appropriate level of reliability following a multiple contingency event. For example, prior to the formation of the CAISO, PG&E had no such blanket prohibition against load shedding for Category C events, whether consequential or non-consequential. Rather each situation was separately reviewed and a mitigation plan developed considering the consequences of the loss of load<sup>24</sup> and the cost of mitigation. This practice is evidenced by PG&E's 2001 Electric Transmission Grid Expansion Plan<sup>25</sup> where in Section 3 – Operating Arrangements, the Plan identifies where PG&E uses either manual or automatic actions to meet the planning standards for Category B and C events, as reflected in Attachment 2 hereto. These actions frequently include interruption of customer load.

Furthermore, PG&E's analysis of Category C events focused on the loss of double circuit tower lines. For other Category C events, PG&E's planning practices assumed loss of customer load was acceptable. There was no distinction around consequential versus non-consequential load loss as such a distinction has no meaning when the planner is making decisions based upon customer impacts. Similarly, as reflected in the table provided at Attachment 2, which includes excerpts describing PG&E's operation arrangements that were included in the CAISO 2001 Transmission Plan, there is no distinction or blanket prohibition on the implementation of SPS based on load density.<sup>26</sup> In fact, the table includes 22 examples<sup>27</sup> of the use of SPS in the Bay Area that are contrary to the standard in the Straw Proposal.

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analysis is offered without any reference to alternatives. Future project justifications using these metrics will need to meet more rigorous analytical standards.

<sup>24</sup> PG&E conducted extensive Value of Service surveys of its customers to support its planning efforts to balance the costs and benefits of improved reliability.

<sup>25</sup> Dated December 14, 2001.

<sup>26</sup> See Attachment 2.

<sup>27</sup> Note that this list was compiled by selecting those entries where either manual or automatically dropping of Bay Area loads was identified. Other similar load dropping outside the Bay Area may also occur in areas with population densities in excess of 1000 people/square mile as many of the plans involved dropping load in developed areas. However as the Proposal only includes county level density information for northern California, load dropping in those areas outside the Bay Area were excluded from the list. The CAISO's map included Sacramento County. Furthermore since it is not possible to discern from the map whether the high population densities were in the CAISO or SMUD area, no load dropping in Sacramento County was included in the list. *Id.*

Attachment 3, which identifies the PG&E Planning Criteria for electric transmission capacity into San Francisco, demonstrates that PG&E was capable of developing specialized criteria for areas with special needs.<sup>28</sup> These criteria are reflective of several Category C overlapping transmission and/or generation contingencies as well as the loss of all overhead lines on the peninsula in the vicinity of San Francisco airport.

While these criteria were more stringent than PG&E applied to the PG&E system at large, these were specific contingencies that were applicable only to the San Francisco Peninsula and were not applicable to larger geographic areas based on a population density metric. In fact, PG&E's development of a list of overlapping contingencies for San Francisco is evidence that PG&E did not normally plan for maintaining service to load during such events elsewhere in its system.

**d. The CAISO Should Classify The New SPS Standard As A Guideline Until The Cost Impacts Are Better Understood**

Like the CAISO's adoption of existing CAISO standards, it is reasonable for the CAISO to classify the new SPS Standard as a guideline until the cost impacts are better understood. The existing CAISO Planning Standards include requirements in planning for new transmission versus the involuntary loss of load.<sup>29</sup> These requirements generally address the more common single contingency of G-1, L-1 events and include, among other things, that no single contingency result in the loss of more than 250 MW of load and that all single substations of 100 MW or more be served from two transmission circuits. Upgrades to service reliability above these levels may be appropriate when justified using a benefit to cost ratio analysis. There is no distinction with respect to urban load or non-consequential loss of load.

While the CAISO's existing criteria were developed to limit the amount of load that could be lost for common single contingency events, there was clear concern about the potential excessive cost impacts associated with such a limitation. Due to this concern, existing CAISO criteria were initially implemented as a guideline until the cost impacts could be better understood. The CAISO should follow a similarly cautious path with the implementation of SPS restrictions.

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<sup>28</sup> See e.g. <http://zglobal.biz/pdf/FinalSFSSGReport.pdf>

<sup>29</sup> CAISO, California ISO Planning Standards, p. 5-6 (Jun. 23, 2011).

## **B. The San Francisco Peninsula Extreme Event Reliability Standard**

### **1. Background**

The CAISO is currently conducting a San Francisco Peninsula Special Study and is “therefore proposing to add to the Planning Standards specific recognition of the unique characteristics of supply to the San Francisco Peninsula and acknowledge that planning for extreme events – including the approval solutions to improve the reliability of supply – is an appropriate action for the CAISO Board to consider and approve.”<sup>30</sup> According to the CAISO, circumstances justifying the Bay Area’s unique status include: (1) being an urban center; (2) geographic and system configuration; (3) having a risk of extended restoration times after an extreme event; and (4) potential risks with challenging restoration times restoration times after extreme events (63% high chance of an earthquake with > 6.7 magnitude or greater occurring in the next 30 years).<sup>31</sup>

The CAISO is already required to study the San Francisco Bay Area for Category D extreme events under existing NERC standards (TPL-004) and under the new NERC standard (TPL-001-4). However, neither NERC standard requires the CAISO to implement special mitigation measures.

### **2. ORA Recommendation**

Given the lack of analytical showing in the Straw Proposal, ORA questions the need for a reliability standard specific to the San Francisco Bay Area and recommends, at a minimum, that the CAISO not attempt to justify the unique status of the San Francisco Bay Area with guidelines which do not clearly distinguish the San Francisco Bay area as unique.

The CAISO’s guidelines creating unique consideration for the San Francisco Peninsula are not required by NERC and are vague and inadequate. During the workshop, Southern California Edison Company (SCE) reasonably asked why Los Angeles would not qualify for extreme event reliability status given that it has similar characteristics to the San Francisco peninsula. Adopting vague guidelines to designate areas for application of specialized extreme event standards may result in the exception swallowing the whole such that new, more stringent transmission requirements, will apply to nearly every other urban area in California.

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<sup>30</sup> Straw Proposal, p. 9.

<sup>31</sup> Jeff Billinton, ISO Transmission Planning Standards Discussion Paper on Revisions: San Francisco Extreme Event Reliability Standard, PowerPoint (Apr. 11, 2014), slide 22-23.

Rather than approach mitigation measures for extreme events in a piecemeal fashion with overly broad factors for designating extreme event areas, ORA recommends that the CAISO deploy its resources using a systemwide approach based on the following principles:

1. Prioritize the adoption of cost-effective mitigation measures which create flexibility in the system and reduce system recovery time, such as stockpiling replacement parts in areas where the parts may be deployed as needed.
2. Adopt mitigation measures by hardening the existing transmission infrastructure systems and reduce the damage likely to occur as a result of an extreme event.
3. Adopt mitigation measures which create new infrastructure to reduce the recovery times of service disruption due to an extreme event.

### **III. CONCLUSION**

ORA appreciates the CAISO's attention to these comments on issues, new CAISO planning standards exceeding NERC reliability standards, which, if adopted, could have a significant effect on California ratepayers. Consistent with these comments, ORA urges the CAISO to reconsider the Straw Proposal's planning standards until it has developed analytical tools that can address the basic issues of the need for more rigorous planning standards, and the costs to TAC ratepayers of those standards.

In an era of raising energy rates, it is imperative that the CAISO take a harder look at its proposals, consistent with its statutory obligation to minimize ratepayer costs.

Attachment 1

Population Densities of the 100 Largest California Cities<sup>32</sup>

Rank	City	Population	County	Size (sq. mi.)	Density
1	Los Angeles	3,792,621	Los Angeles	469	8,087
2	San Diego	1,307,402	San Diego	372	3,515
3	San Jose	945,942	Santa Clara	180	5,255
4	San Francisco	805,235	San Francisco	232	3,471
5	Fresno	494,665	Fresno	112	4,417
6	Long Beach	468,257	Los Angeles	51	9,182
7	Sacramento	466,488	Sacramento	100	4,665
8	Oakland	390,724	Alameda	78	5,009
9	Bakersfield	347,483	Kern	144	2,413
10	Anaheim	336,265	Orange	51	6,593
11	Santa Ana	324,528	Orange	28	11,590
12	Riverside	303,871	Riverside	81	3,751
13	Stockton	291,707	San Joaquin	62	4,705
14	Chula Vista	243,916	San Diego	52	4,691
15	Fremont	214,089	Alameda	88	2,433
16	Irvine	212,375	Orange	66	3,218
17	San Bernardino	209,924	San Bernardino	60	3,499
18	Modesto	201,165	Stanislaus	37	5,437
19	Oxnard	197,899	Ventura	39	5,074
20	Fontana	196,069	San Bernardino	42	4,668
21	Moreno Valley	193,365	Riverside	51	3,791
22	Glendale	191,719	Los Angeles	31	6,184
23	Huntington Beach	189,992	Orange	32	5,937
24	Santa Clarita	176,320	Los Angeles	48	3,673
25	Garden Grove	170,883	Orange	18	9,494
26	Santa Rosa	167,815	Sonoma	42	3,996
27	Oceanside	167,086	San Diego	42	3,978
28	Rancho Cucamonga	165,269	San Bernardino	40	4,132
29	Ontario	163,924	San Bernardino	50	3,278
30	Lancaster	156,663	Los Angeles	95	1,649
31	Elk Grove	153,015	Sacramento	42	3,643
32	Palmdale	152,750	Los Angeles	106	1,441

<sup>32</sup> Based on the reported results of the 2010 United States Census.

*ORA Comments To The Straw Proposal For The Revision To ISO Transmission Planning Standards*

33	Corona	152,374	Riverside	39	3,907
34	Salinas	150,441	Monterey	23	6,541
35	Pomona	149,058	Los Angeles	23	6,481
36	Torrance	145,438	Los Angeles	21	6,926
37	Hayward	144,186	Alameda	64	2,253
38	Escondido	143,911	San Diego	37	3,889
39	Sunnyvale	140,081	Santa Clara	23	6,090
40	Pasadena	137,122	Los Angeles	23	5,962
41	Orange	136,416	Orange	25	5,457
42	Fullerton	135,161	Orange	22	6,144
43	Thousand Oaks	126,683	Ventura	55	2,303
44	Visalia	124,442	Tulare	36	3,457
45	Simi Valley	124,327	Ventura	42	2,960
46	Concord	122,067	Contra Costa	31	3,938
47	Roseville	118,788	Placer	36	3,300
48	Santa Clara	116,468	Santa Clara	18	6,470
49	Vallejo	115,942	Solano	50	2,319
50	Victorville	115,903	San Bernardino	74	1,566
51	El Monte	113,475	Los Angeles	10	11,348
52	Berkeley	112,580	Alameda	18	6,254
53	Downey	111,772	Los Angeles	13	8,598
54	Costa Mesa	109,960	Orange	16	6,873
55	Inglewood	109,673	Los Angeles	9	12,186
56	San Buenaventura (Ventura)	106,433	Ventura	32	3,326
57	West Covina	106,098	Los Angeles	16	6,631
58	Norwalk	105,549	Los Angeles	10	10,555
59	Carlsbad	105,328	San Diego	39	2,701
60	Fairfield	105,321	Solano	38	2,772
61	Richmond	103,701	Contra Costa	52	1,994
62	Murrieta	103,466	Riverside	34	3,043
63	Burbank	103,340	Los Angeles	17	6,079
64	Antioch	102,372	Contra Costa	29	3,530
65	Daly City	101,123	San Mateo	8	12,640
66	Temecula	100,097	Riverside	30	3,337
67	Santa Maria	99,553	Santa Barbara	23	4,328
68	El Cajon	99,478	San Diego	14	7,106
69	Rialto	99,171	San Bernardino	22	4,508
70	San Mateo	97,207	San Mateo	16	6,075

*ORA Comments To The Straw Proposal For The Revision To ISO Transmission Planning Standards*

71	Compton	96,455	Los Angeles	10	9,646
72	Clovis	95,631	Fresno	23	4,158
73	South Gate	94,396	Los Angeles	7	13,485
74	Vista	93,834	San Diego	19	4,939
75	Mission Viejo	93,305	Orange	18	5,184
76	Vacaville	92,428	Solano	29	3,187
77	Carson	91,714	Los Angeles	19	4,827
78	Hesperia	90,173	San Bernardino	73	1,235
79	Redding	89,861	Shasta	61	1,473
80	Santa Monica	89,736	Los Angeles	16	5,609
81	Westminster	89,701	Orange	10	8,970
82	Santa Barbara	88,410	Santa Barbara	42	2,105
83	Chico	86,187	Butte	33	2,612
84	Whittier	85,331	Los Angeles	14	6,095
85	Newport Beach	85,186	Orange	53	1,607
86	San Leandro	84,950	Alameda	16	5,309
87	Hawthorne	84,293	Los Angeles	6	14,049
88	San Marcos	83,781	San Diego	24	3,491
89	Citrus Heights	83,301	Sacramento	14	5,950
90	Alhambra	83,089	Los Angeles	8	10,386
91	Tracy	82,922	San Joaquin	22	3,769
92	Livermore	80,968	Alameda	24	3,374
93	Buena Park	80,530	Orange	11	7,321
94	Lakewood	80,048	Los Angeles	9	8,894
95	Merced	78,958	Merced	23	3,433
96	Hemet	78,657	Riverside	28	2,809
97	Chino	77,983	San Bernardino	30	2,599
98	Menifee	77,519	Riverside	47	1,649
99	Lake Forest	77,264	Orange	18	4,292
100	Napa	76,915	Napa	18	4,273

Attachment 2

Excerpts from the CAISO 2001 Transmission Plan – PG&E Operational Arrangements  
for Category B and C Events Tables 3 & 4

(Entries where PG&E practice was to interrupt customer load  
for Category C5 events greater than 100 kV in the Bay Area.)

<b>Entry</b>	<b>Contingency</b>	<b>Mitigation</b>
<b>Table 3 Entry 9</b>	Newark-Ravenswood, Tesla-Ravenswood 230 kV	Interrupt up to 620 MW of electric demand for Bay Area
<b>Table 3 Entry 10</b>	Ravenswood-San Mateo 230 kV Nos. 1 & 2 Lines	Interrupt approximately 700 MW of load in SF-Peninsula area
<b>Table 3 Entry 11</b>	Ravenswood-Palo Alto 115 kV Nos. 1 & 2 lines	Special Protection System to open Palo Alto Switching Station CB Nos. 412 and 512 following an outage of the Ravenswood-Palo Alto 115 kV double circuit tower lines. <sup>33</sup>
<b>Table 3 Entry 12</b>	Moraga-Oakland J 115 kV and Moraga-San Leandro No. 3 115 kV lines.	Interrupt up to 40 MW of electric demand at San Leandro. <sup>34</sup>
<b>Table 3 Entry 23</b>	Newark-Los Esteros and Los Esteros-Metcalf No. 1 and 2	Interrupt up to 400 MW of customer demand in the South Bay
<b>Table 3 Entry 24</b>	Metcalf-Evergreen Nos. 1 & 2	Interrupt up to 180 MW in Evergreen 115 and 60 kV areas. (Drop 115/12 kV load at Evergreen and open 115/60 kV Evergreen transformer).
<b>Table 3 Entry 25</b>	Los Esteros-Trimble, Trimble-Montague 115 kV	Interrupt up to 500 MW in the South Bay
<b>Table 3 Entry 26</b>	Pittsburg-Clayton 115 kV Nos. 3 and 4	Interrupt up to 100MW in Clayton area.
<b>Table 3 Entry 28</b>	Newark-Northern Receiving Station Nos. 1 & 2 115 kV lines	Interrupt up to 235 MW at Silicon Valley Power
<b>Table 4 Entry 9</b>	East Shore-San Mateo and Pittsburg-San Mateo 230 kV	Implement Short Term Facility Ratings and interrupt load
<b>Table 4 Entry 10</b>	Monta Vista-Jefferson 230 kV Nos. 1 & 2 Lines	Implement Short Term Facility Ratings and interrupt load

<sup>33</sup> Opening these breakers following the identified contingency isolates and drops the entire City of Palo Alto electric system with a peak load modeled at 214 MW.

<sup>34</sup> Note that this SPS has been modified by PG&E to include the interruption of Alameda Station J load that may be triggered by either Category B or C events.

Attachment 3

PG&E San Francisco Planning Criteria Prior to the CAISO

Power is supplied to the city of San Francisco from a combination of local generation and transfers into the city through transmission. The city is located at the end of a peninsula, and all of the major overhead transmission lines are forced into a common corridor adjacent to the San Francisco Airport. This corridor extends between Martin Substation, just south of San Francisco, and San Mateo Substation, located 13 miles to the south.

Given the location of the City and the nature of its supply, special planning criteria were adopted in 1978 by the Electrical Engineering Advisory Committee that considers simultaneous outage of multiple system elements. These criteria are listed below:

San Francisco Power Supply Planning Criteria

At all times, the resources available to serve the city of San Francisco shall be sufficient to serve all loads within the city limits during any of the following contingencies:

- A. Loss of all overhead transmission from San Mateo Substation to Martin Substation in addition to any generation unavailable due to regular overhaul schedules.
- B. Loss of the largest available generation unit plus the loss of one overhead transmission circuit from San Mateo to Martin in addition to any generation unavailable due to regular overhaul schedules.
- C. Loss of one underground transmission circuit plus the loss of one overhead transmission circuit from San Mateo to Martin in addition to any generation unavailable due to regular overhaul schedules.
- D. Overlapping loss of the two largest available generation units in addition to any generation unavailable due to regular overhaul schedules.
- E. Loss of one underground circuit from San Mateo to Martin plus the loss of the largest available generation unit in addition to any generation unavailable due to regular overhaul schedules.