

# **Delaney - Colorado River 500 kV Transmission Line Project Phase 3 Competitive Solicitation**

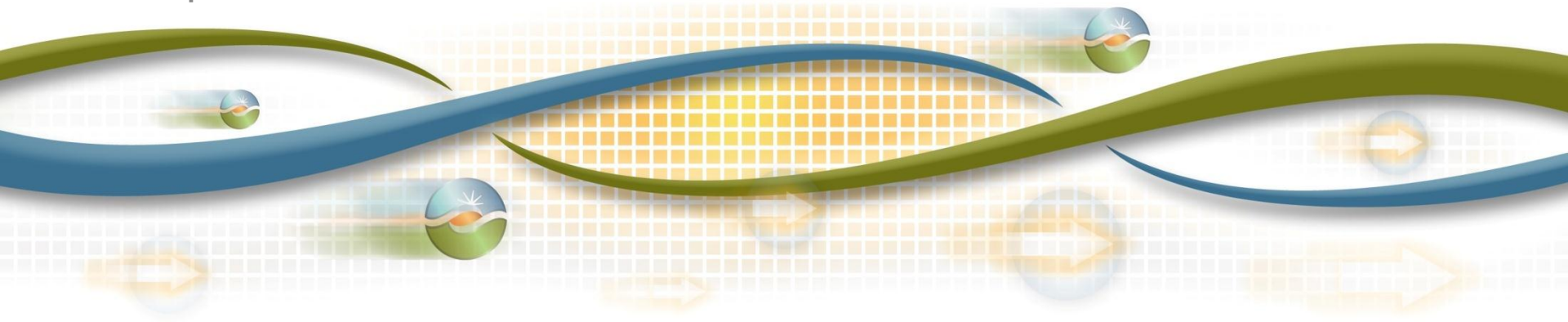
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September 3, 2014



# Transmission Planning Process Phase 3 - Overview of the Competitive Solicitation Process

- Process and Schedule
- Evaluation approach
- Project details

# 2013/2014 Transmission Planning Cycle

**April 2013**

**March 2014**

**Coordination of Conceptual  
Statewide Plan**

**ISO Board Approval  
of Transmission Plan**

## **Phase 1**

**Development of ISO unified  
planning assumptions and  
study plan**

- Incorporates State and Federal policy requirements and directives
- Demand forecasts, energy efficiency, demand response
- Renewable and conventional generation additions and retirements
- Input from stakeholders
- Ongoing stakeholder meetings

## **Phase 2**

**Technical Studies and Board Approval**

- Reliability analysis
- Renewable delivery analysis
- Economic analysis
- Central California Study
- Publish comprehensive transmission plan
- ISO Board approval

## **Phase 3**

**Receive proposals to build  
identified reliability, policy  
and economic regional  
transmission facilities.**

**Note: DCR project approved out of  
sequence in July, 2014.**

# TPP Phase 3 Schedule – Sequence 3

## Delaney - Colorado River (DCR) 500 kV Transmission Line Project

- August 19, 2014                      Bid Window Opens
- November 19, 2014                Bid Window Closes
  
- Validation – 15 Business Days (BD)
- Cure – 10 BD
- Final Validation – 10 BD (Results posted to ISO Web page)
- Option to Collaborate (Schedule depicted assumes no collaboration) – 10 BD
- Qualification – 15 BD
- Cure – 10 BD
- Final Qualification – 10 BD (Results posted to ISO Web page)
  
- Comparative Analysis and select Approved Project Sponsor – 60 BD
- Post approved project sponsor and associated report – June 12, 2015

# Functional Specifications, Information Conference Calls, and Q&A Document

- The ISO prepares and posts functional specifications for each regional transmission facility at the beginning of the bid window.
- The ISO will host an informational conference call after opening the bid window to address questions on:
  - Schedules
  - Process
  - Application form
  - Functional specifications
- Project Sponsor applicants can submit questions during the open bid window. The ISO will post answers on the CAISO website for all interested parties to view.

# Project Sponsor Application includes the following:

1. Introduction
2. General Instructions
3. Project Sponsor, Name, and Qualifications
4. Past Projects, Project Management and Cost Containment
5. Financial (new section for the 2013 – 2014 cycle)
6. Environment and Public Processes
7. Substation
8. Transmission Line
9. Construction
10. Operation and Maintenance
11. Miscellaneous
12. Officer Certification (new section for the 2013 – 2014 cycle)
13. Payment Instructions (new section for the 2013 – 2014 cycle)

***Sections 4-11 above capture all of the Selection Factors identified in Tariff 24.5.4***

# Officer Certification

- Officer certifies that s/he has full authority to represent the project sponsor or affiliate of the project sponsor.
- Officer certifies that the information contained in the application is true, accurate and that there are no material omissions.

# Deposit Fee

- Project sponsor must submit a deposit of \$75,000 with its application.
- Project sponsor will be responsible for the actual costs that the ISO incurs in qualifying and selecting an approved project sponsor through the competitive solicitation process, including the cost of the retained expert consultant.
- Costs not to exceed \$150,000 per application
- Payment instructions are included in the updated project sponsor application.



# Project Sponsor Minimum Qualification Criteria

- Project Sponsor has assembled (or plans to assemble) a sufficient sized team with the knowledge and skill to design, construct, operate and maintain the regional transmission facility.
- Project Sponsor has sufficient financial resources, including the ability to assume liability from major losses resulting from failure of any part of the regional transmission facility.
- Project Sponsor's schedule meets the ISO's requirements, and the sponsor has the ability to meet its proposed schedule.
- Project Sponsor and its team (or planned team) have the necessary technical and engineering qualifications and experience to design, construct, operate and maintain the regional transmission facility.
- Project Sponsor agrees to sign the TCA (Transmission Control Agreement), become a PTO (Participating Transmission Owner), comply with NERC and WECC requirements and standards, and will turn the regional transmission facility over to the ISO's operational control.

# Project Proposal Minimum Qualification Criteria

- Whether the proposed design of the regional transmission facility is consistent with needs identified in the comprehensive Transmission Plan.
- Whether the proposed design of the regional transmission facility satisfies applicable Reliability Criteria and CAISO Planning Standards.

# Project Sponsor Selection Among Qualified Sponsors and Proposals

- Single Project Sponsor is automatically selected
- Multiple Project Sponsors
  - The ISO, with assistance from a qualified expert consultant, will conduct a comparative analysis and select the approved project sponsor.
  - The ISO will post the identity of the approved project sponsor, along with a report summarizing the comparative analysis.

# ISO will use Comparative Analysis to Determine the Approved Project Sponsor

- Selection based on a comparative analysis of the degree to which each Project Sponsor's proposal meets the qualification criteria and selection factors, as set forth in Tariff section 24.5.4
- Objective is to determine the qualified Project Sponsor which is best able to:
  - Design, finance, license, construct;
  - Maintain, and operate the regional transmission facility in a cost-effective, efficient, prudent, reliable, and capable manner over the lifetime of the transmission solution(s); while
  - Maximizing overall benefits and minimizing the risk of untimely project completion, project abandonment, future reliability issues, and operational or other relevant problems.

# Posting Approved Project Sponsors; and Report on Approved Project Sponsor Selection

- The ISO will post a list of the approved project sponsor(s) for each regional transmission solution.
- The ISO will post a detailed report regarding the selection of the approved project sponsor(s).

# Regional Transmission Facility subject to Competitive Solicitation

- Delaney to Colorado River 500 kV Transmission Line
  - Economic project
  - 500 kV transmission line
  - Series compensation (35% total)
  - Line terminus: Colorado River substation 500 kV bus
  - Line terminus: Delaney substation 500 kV bus
  - In service date: May 1, 2020
  - Approximate length: 115 – 140 miles
  - NOTE: termination of the transmission line in each of the substations is not included in the scope of this solicitation.

# Key Selection Factors (Section 24.5.1) and Functional Specifications

- Key selection factors and functional specifications for the Delaney - Colorado River 500 kV Transmission Line Project can be found at:

[http://www.caiso.com/Documents/DelaneyColoradoRiverFunctionalSpecifications\\_KeySelectionFactors.pdf](http://www.caiso.com/Documents/DelaneyColoradoRiverFunctionalSpecifications_KeySelectionFactors.pdf)

# To determine the key selection factors for each regional transmission facility subject to competitive solicitation, the ISO will consider:

- (1) the nature, scope and urgency of the need for the regional transmission facility;
- (2) expected severity of siting or permitting challenges;
- (3) the size of the regional transmission facility, potential financial risk associated with the regional transmission facility, 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 regional transmission facility;
- (9) binding cost containment measures, including cost caps;
- (10) abandonment risk; and
- (11) whether the overall cost of the regional transmission facility impacts the ISO's prior determination of, and inclusion in, the comprehensive Transmission Plan of the more efficient or cost effective regional transmission facility during Phase 2 of the transmission planning process.



# Key Selection Factors

- Cost containment capabilities, expected capabilities of the project sponsor and its team, and the ability to manage schedules were selected for this project.
- Transmission Line – conventional technology, highly integrated into existing transmission network.
  - (24.5.4.a) Emphasis on broad capabilities of the project sponsor and its team to license, construct, operate and maintain the regional transmission facility for the life of the project.
  - (24.5.4.d) Demonstrated schedule performance.
  - (24.5.4.j) Demonstrated cost containment capability.

# Housekeeping

- Submit completed applications to the ISO via CDs or DVDs (preferred) to:
- California ISO, 250 Outcropping Way, Folsom CA 95630 to the attention of Louis Fonte.
- Submit three (3) sets of CDs or DVDs per application.
- Do not use the following characters when naming files:  
( ~ # % & \* { } \ / : < > ? )
- Name file attachments with reference to the question number in the application, e.g. P-9Attachment1
- Keep file names short, preferably less than 20 characters.

# Summary and Next Steps

- Project Sponsor application and Project Functional Specifications are now posted to the TPP webpage at:
- [http://www.caiso.com/Documents/DelaneyColoradoRiverFunctionalSpecifications\\_KeySelectionFactors.pdf](http://www.caiso.com/Documents/DelaneyColoradoRiverFunctionalSpecifications_KeySelectionFactors.pdf)
- Submit questions about the application to this E mail address:
- [transmissioncompetitivesolicitation@caiso.com](mailto:transmissioncompetitivesolicitation@caiso.com)
- Questions and associated answers will be posted to the transmission planning web page
- Complete applications (including deposit fee and officer certification signature) are due on or before November 19, 2014. No exceptions!

# Additional Questions?

Any further questions?