



California ISO

# Stakeholder Discussion: Re-scoping Competitive Solicitation Transmission Projects with Approved Project Sponsors

March 13, 2025

## Topic: How does the ISO decide how to effect a necessary change to a competitively awarded project?

- The ISO has recently had to make material changes to the scope of two competitively awarded projects in the San Jose area
  - The changes were presented to stakeholders for comment
  - They were subsequently approved by the ISO Board of Governors
  - Management subsequently negotiated the changes with the approved project sponsor
- While the ISO has occasionally had to cancel competitively awarded projects in the past, this was the first occurrence of needing to modify, but continue with, a competitively awarded project.
- Stakeholders asked for clarity as to how the ISO will decide to amend a competitively awarded project's scope versus canceling the project and re-bidding an alternative in the future

The ISO is considering three questions in order to address those stakeholders concerns:

1. What is the process by which the ISO determines changes are needed, and puts the changes into effect?
2. What are the considerations the ISO takes into account in deciding whether to cancel a project and re-bid an alternative, or negotiate a modification to an awarded project?
3. What additional process clarity can the ISO provide to stakeholders, and how should that clarity be provided?

# What is the process by which the ISO determines changes are needed and puts the changes into effect?

- The ISO's planning authority allows the ISO to change or cancel a previously approved project, through its open and transparent planning process culminating in approval by the Board of Governors
  - These reviews are conducted on a case-by-case basis when the ISO or stakeholders identify a material change in circumstance
- Once the Board of Governors approves the changes in scope, Management is responsible for implementing the change by:
  - Notifying the incumbent participating transmission owner for projects that were not competitively awarded; or,
  - For projects that were competitively awarded, canceling the original project and re-bidding the alternative OR negotiating a change in scope with the existing approved project sponsor

# How does the ISO decide whether to cancel a project and re-bid an alternative, negotiate a modification to an awarded project, or take some other action?

- There is no single simple bright line. There are considerations that need to be weighed.
- Those considerations identified to this point may include:
  - The magnitude of the scope change
  - The urgency of the need
  - The progress towards completion of the original project, and in particular, the components not affected by the scope change
  - The ability and willingness of the existing approved project sponsor to negotiate reasonable changes to the Approved Project Sponsor Agreement and complete the revised scope

# What additional process clarity can the ISO provide to stakeholders, and how should that clarity be provided?

- The ISO is considering adding clarity on the considerations set on the preceding slide in the Transmission Planning Business Practice Manual
- Including in the tariff appears too rigid and inflexible given the “guidance” nature of the considerations
  - Note any tariff changes would require a separate Section 205 application. This is not a FERC Order 1920/1920-A compliance issue

## Next Steps:

- The ISO requests comments in response to these questions by end of day March 27, 2025.
- Please email your comments to [RegionalTransmission@caiso.com](mailto:RegionalTransmission@caiso.com)
- If necessary, the ISO can convene another stakeholder discussion on this topic.