



2025 CAISO Legal Forum:

Materials related to transmission
panel discussion

Transmission planning

The ISO collaborates with stakeholders in an annual process to create a long-term transmission plan. Engineers design and analyze complex models and simulations to identify grid expansion needs to:



- Address reliability such as load growth
- Support public policy such as state energy and environmental goals
- Reduce costs through economic upgrades

FERC increasingly exercising authority over transmission planning

- Order No. 888
- Order Nos. 889 and 890
- Order No. 1000
- Order No. 1920

Order No. 888

- Open Access; Non-discriminatory tariffs
- Order No. 888 describes Section 205 and 206 of the Federal Power Act – “the legal and policy cornerstone of these rules is to remedy undue discrimination in access to the monopoly owned transmission wires that control whether and to whom electricity can be transported in interstate commerce.”

New York et. al. v. FERC

535 U.S. 1 (March 4, 2002)

- New York challenges FERC's decision to impose open access requirement on unbundled retail transmissions in interstate commerce
- Court finds that unbundled retail transmissions are transmission in interstate commerce b/c of the nature of the national grid

Order No. 1000

- Planning reforms
 - Regional transmission planning process
 - Consider transmission needs driven by public policy requirements
 - Coordination with neighboring transmission planning regions on efficient or cost-effective solutions to meet mutual needs
- Cost allocation reforms
 - Regional cost allocation method
 - Interregional cost allocation method for new interregional facilities

South Carolina Public Service Authority v. FERC (D.C. Cir. 2014)

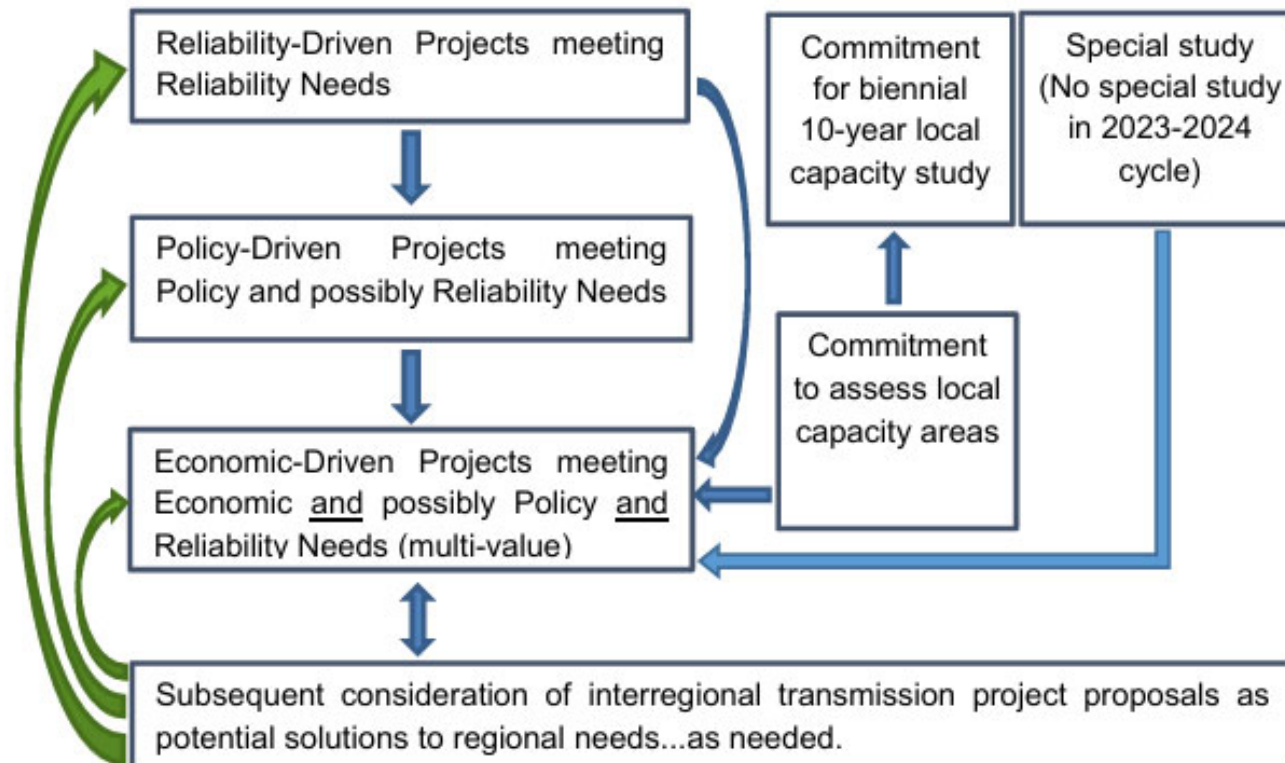
- State PUCs, transmission providers, RTOs, and trade associations – multiple arguments that Order 1000 exceeds FERC’s statutory authority – challenge to both the planning requirements and the cost allocation rules
- FERC grounds Order 1000 on its authority under section 206 – preventing undue discrimination – Commission has authority to regulate “**any practice**” that affects a jurisdictional rate if such practice is “unjust, unreasonable, or unduly discriminatory”
 - lack of transmission → more congestion – more opportunities for discrimination etc.

Section 206

- *SEC. 206. (a) Whenever the Commission, after a hearing held upon its own motion or upon complaint, shall find that any rate, charges, or classification demanded, observed, charged, or collected by any public utility for any transmission or sale subject to the jurisdiction of the Commission, or that any rule, regulation, **practice**, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order. Any complaint or motion of the Commission to initiate a proceeding under this section shall state the change or changes to be made in the rate, charge, classification, rule, regulation, practice, or contract then in force, and the reasons for any proposed change or changes therein. If, after review of any motion or complaint and answer, the Commission shall decide to hold a hearing, it shall fix by order the time and place of such hearing and shall specify the issues to be adjudicated.*

CAISO Transmission Planning Studies

Figure 4.1-1: Interrelationship of Transmission Planning Studies



Recent Order Nos. 1920 and 1920-A enhance long-term transmission planning

- FERC Order 1920 mandates that transmission providers include a 20-year assessment in their long-term planning process.
- Planning must be conducted at least every five years, with projects selected by year three in each cycle.
- Plans must include at least three scenarios: plausible, diverse, capturing a set of “reasonably probable” futures.
- Planners must include at least one sensitivity, applied to each scenario, which is a variation on a scenario that captures “uncertain operational outcomes” such as extreme weather.
- In this planning process, transmission operators must use the “best available data” to develop and evaluate long-term regional transmission needs.

Planning

- [CAISO landing page](#) for Transmission Planning Process (TPP) includes information about the TPP as well as all approved and draft transmission plans
- CAISO also publishes [a 20-year outlook](#) for longer term planning
- [Memorandum of Understanding](#) between ISO, CEC, and CPUC outlines various roles and responsibilities of the ISO and the agencies
- CPUC's [Transmission Project Review Process](#) is a uniform process to review IOUs' capital transmission projects

Competitive Solicitation

- CAISO's Transmission Planning Process Phase 3 – [CAISO Tariff Section 24](#)
- CAISO's role is to perform a comparative analysis – select a qualified Project Sponsor which is best able to design, finance, license, construct, maintain, and operate the particular transmission facility in a cost-effective, efficient, prudent, reliable, and capable manner over the lifetime of the facility, while maximizing overall benefits and minimizing the risk of untimely project completion, project abandonment, and future reliability, operational and other relevant problems, consistent with Good Utility Practice, applicable reliability criteria, and CAISO Documents.

Permitting + Construction

- CPUC carries out the Certificate of Public Convenience and Necessity (CPCN) and Permit to Construct (PTC) processes
 - These proceedings include the CEQA process.
 - GO 131-E recently adopted in R.23-05-018. This general order includes rules for the permitting of electrical transmission and distribution lines, substations, and generation facilities.
 - See [order available here](#). [GO 131-E available here](#).
 - More information available at [CPUC webpage for GO 131-D update](#).
- Recent legislation (AB 1373) allows for the CAISO's determination of need to receive a rebuttable presumption in CPCN proceedings. Codified in Cal. Pub. Utilities Code Section 1001.1

Transmission as a Long-Term Asset

- CPUC and Office of Energy Infrastructure Safety oversee various requirements related to wildfire safety – [wildfire and wildfire safety landing page](#) includes information about these roles and programs
- 2019 Wildfire Legislation (AB 1054 and AB 111) established [the wildfire fund](#), among other reforms and programs related to utility-caused wildfires in CA.