COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE REVISED STRAW PROPOSAL FOR REVISIONS TO ISO TRANSMISSION PLANNING STANDARDS

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") submit their comments on the May 28, 2014 revised straw proposal for revisions to the ISO's Transmission Planning Standards.

1. Non-Consequential Load Dropping – Category C Contingencies

The ISO proposes to incorporate into the planning standards the principle that, with respect to local areas that represent high-density urban load, the ISO does not rely on load shedding as a long-term solution to address "Category C" contingencies. The revised straw proposal includes modified criteria for identifying high-density urban loads, and the ISO now proposes to define these areas as "Urbanized Area[s], as defined by the U.S. Census Bureau, with a population over 1 million persons." (*See* Revised Straw Proposal at 5.) According to the U.S. Census Bureau, an Urbanized Area is a "statistical geographic entity consisting of a densely settled core created from census tracts or blocks and contiguous qualifying territory that together have a minimum population of at least 50,000 persons." (*Id.* at n.2) Urbanized Areas within California that the U.S. Census Bureau has identified as such and include more than 1 million people are San Diego, Los Angeles-Long Beach-Santa Ana, Riverside-San Bernardino, San Jose, San Francisco-Oakland, and Sacramento. (*See id.* at 6.)

As to such high-density urban loads, the ISO planning standards are proposed to state:

For local area long-term planning, the ISO does not allow nonconsequential load dropping in high density urban load areas in lieu of expanding transmission or local resource capability to mitigate NERC TPL-001-4 standard P1-P7 contingencies and impacts on the 115 kV or higher voltage systems.

(See Revised Straw Proposal – Redline of Planning Standards at 7.)

The Six Cities acknowledge the ISO's view that historical planning practices within the ISO have excluded the use of planned load shedding as a long-term solution for Category C contingencies in high-density urban areas, and that this approach appears to be consistent with the practices of some other ISO and RTO regions. (*See, e.g.*, Revised Straw Proposal at 3-5.) At the same time, the Six Cities urge the ISO to consider incorporating into the Planning Standards the concept that a cost-to-benefit assessment may be relevant in evaluating appropriate mitigation measures for Category C contingencies, even for high-density urban areas. As illustrated in comments by Southern California Edison Company ("SCE"), mitigation of a

Category C contingency could come at a substantial, even "impractical," cost to transmission ratepayers, whereas planned load shedding could present a reasonable solution to some Category C contingency scenarios, even in high-density areas, that are "low likelihood events." (*See* Stakeholder Comments Matrix at 29.) SCE explained that the "CAISO standard should include a provision to allow [Special Protection Systems] in urban areas where it is economically impractical to pursue transmission upgrades." (*Id.*) SCE's concerns have merit, and the Six Cities suggest that the ISO consider whether it should, as a planning principle, categorically rule out the use of load shedding as one of an array of potential mitigation tools for Category C contingencies in high-density urban areas, where transmission or resource expansion may be impractically expensive relative to the expected frequency of the event or its anticipated impact and duration.

2. San Francisco-Peninsula Extreme Event Reliability Standard

The revised straw proposal continues to highlight the unique nature of the configuration and supply patterns for the San Francisco Peninsula and proposes that this area merits special consideration in the planning standards such that "Category D Extreme Events" should be mitigated for San Francisco even though such mitigation is not required under the relevant NERC Reliability Standards. In their previous comments, the Six Cities urged the ISO to exercise caution in considering whether to establish a categorical policy that may be construed to elevate the approval of transmission solutions to mitigate Category D Extreme Events for any one area of the ISO grid, especially without setting any parameters or objectives for mitigation, and observed that other areas may share some or all of the characteristics that caused the ISO single out San Francisco as unique. In response, the ISO stated that other areas would be considered for Extreme Event mitigation on a case-by-case basis. (*See* Stakeholder Comments Matrix at 23.) The Six Cities request that this concept be reflected in the transmission planning standards.

Submitted by,

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