

***Transmission Competitive Solicitation Questions Log
Imperial Valley Area Policy-Driven Elements
2012/2013 TTP – Phase 3***

No.	Comment Submitted	ISO Response	Date Q&A Posted
1	With respect to Questions P-4 and P-5 on Page 6 of the Transmission Sponsor Application, clarification is respectfully requested. Is the CAISO referring to the entity as a whole or only the applicable transmission upgrades/elements referenced in question P-1?	The CAISO is referring to the entity in whole, not just to the elements listed in P-1.	January 22, 2013
2	Land ownership Party(ies) with whom we need to be in contact and negotiations?	The CAISO does not have this information	January 28, 2013
3	The proper environmental jurisdiction with whom we should be talking?	The CAISO does not have this information	January 28, 2013
4	I need clarification on question P-16: Provide a Ratio of Assets (including Regulatory Assets) to the projected cost of the project. It is unclear from the request what information CAISO wishes to see in the response. If the request refers only to the instant project only (which it indicates by “the project”), then 100% of the asset would be regulatory. Please clarify.	The Ratio of Assets is the ratio of the Project Sponsor’s <u>total</u> assets (including Regulatory Assets) to the proposed project’s cost through its operating date. Total assets include <u>all</u> the Project Sponsor’s assets. The objective is to compare the size of the project Sponsor to the size of the project.	January 31, 2013
5	Request clarification for Question E-6 of the Transmission Project Sponsor Proposal Application. Please confirm that the following language at Question E-6 pertains to activities that will occur after any award of the RFP: “Note: The ISO will require copies of all submitted permit applications. The Project Sponsor shall include the ISO on the recommended service list.”	The ISO anticipates that these activities will occur after the successful Project Sponsor is identified.	January 31, 2013
6	I understand from the Transmission Competitive Solicitation Questions Log that you do not have answers to two questions: (1) land ownership party(ies) with whom we need to be in contact and negotiations (2) the proper environmental jurisdiction with whom we should be talking. However, can you direct us to someone or some entity that could help with this?	No. The ISO does not have the information to answer this question.	January 31, 2013
7	Item 2.1 of the document “Description and functional specifications of proposed policy-driven elements in Imperial Valley Area”, specifies that the term of scope on the edge of SE Imperial Valley occurs in the SDG & E Imperial Valley 230 kV Bus”. Please clarify whether this bus must be built or if it is already built and we will only have to connect to it.	Please refer to the Transmission Planning Process Business Practice Manual – section 5.6.4. The work done within the Imperial Valley substation fence will be completed by the PTO.	February 7, 2013

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8	<p>Section P-14 of Chapter 4 of the document “transmission project sponsor proposal – Application” indicates that the bidder must submit a payment schedule both during the construction phase, and operation and maintenance phase. Please clarify how many years of operation and maintenance need to be submitted.</p>	<p>The operating period to be used should be the applicant’s estimate of useful life / accounting life for the transmission facilities (nominally 30 years).</p>	February 7, 2013
9	<p>Sections 24.14.1 and 24.14.2 of tariff CAISO’s document says the bidder must assume the costs and reflect on the “Transmission Revenue Requirements”. In addition, section 26 and Appendix F Schedule 3, Section 5 of CAISO’s tariff describes how to calculate the “access charge” dependent “Transmission Revenue Requirements (TRR)” that FERC approves annually. In this regard:</p> <ul style="list-style-type: none"> • Is there a guaranteed annual minimum payment equal to TRR approved by FERC payable to the owner of the transmission system, or the differences could be between the TRR approved by FERC and the proportion of “access charges” distributed by CAISO? • Does this payment begin once the new transmission system starts the operation? • Is there an expiration for the payments received by CAISO, similar to the limit of 30 years as indicated in Section 36.1 for CRR? 	<p>Stakeholders have asked questions about project cost recovery through the ISO transmission access charges. In response, the ISO offers this general information:</p> <p>The successful selected project sponsor is eligible to become a Participating Transmission Owner (PTO) and is responsible for developing, filing and obtaining approval from FERC of its transmission revenue requirement (TRR) application and transmission owner tariff, as set out in the Transmission Control Agreement (TCA), ISO tariff sections 26 and Appendix F sections, and related documents. The successful selected project sponsor is responsible for identifying and obtaining regulatory approval of the mechanism by which it’s TRR will be recovered as well as the costs that will be recovered through its TRR. The approved revenue requirement is recovered from ISO ratepayers through High and Low Voltage Transmission Access Charges, depending on the facility that has been placed under the ISO’s operational control. The successful selected project sponsor must complete an application to become a PTO and execute the TCA. Once the facilities have been constructed, energized and turned over to ISO operational control, the project sponsor will begin to recover its approved TRR. Payments are expected to continue for the physical life of the project, but again, the successful selected project sponsor will need to consider its costs and address its cost recovery mechanism in its FERC filings.</p>	February 13, 2013

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10	<p>Wheeling access charges (WAC):</p> <ul style="list-style-type: none"> • Does this payment begin once the new transmission system starts the operation? • Is there an expiration for the payments received by CAISO, similar to the limit of 30 years as indicated in Section 36.1 for CRR? 	Refer to section 26.1 and the answer to Question 9 above.	February 13, 2013
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