

- **What is the current state of implementation of interregional transmission coordination processes?**

As of the end of March 2016, four interregional transmission projects had been submitted to the CAISO, Northern Tier Transmission Group (NTTP), and WestConnect. To date, these three planning regions have coordinated preparation of evaluation process plans for each of the submitted projects. This evaluation process plan provides a common framework to assess major assumptions, milestones, and project sponsors. The goal of these evaluation process plans is to achieve consistent planning assumptions and technical data that each planning region can use to assess an interregional transmission project. The development of study plans and the analysis itself is proceeding within the CAISO's regional transmission planning process and aligned with CAISO's annual process schedule.

- **To what extent, and how, do existing interregional transmission coordination requirements assist or hinder the identification of the need for interregional transmission facilities?**

The interregional coordination requirements were only implemented in January of this year. Once, planning regions complete the 2016-2017 interregional coordination cycle, a more meaningful perspective will be evident. Nonetheless, the CAISO has not seen that the interregional process has helped or hindered the identification of the need for interregional transmission facilities. The interregional process has provided a framework for the coordination and consideration of potential interregional projects; the CAISO remains optimistic that Order No. 1000 will facilitate interregional transmission project development.

- **Are pairs of regions the most appropriate geographic scope for addressing challenges associated with interregional transmission development?**

The CAISO believes that within the Western Interconnection, “pairing” planning regions does not necessarily fit coordination activities historically followed in the west. The Western Planning Regions’ decision to file a “joint” tariff provides for a more uniform coordination process amongst the four planning regions but may not reflect the most appropriate geographic scope for addressing challenges associated with interregional transmission development. Considering the interregional projects submitted into the regional processes this year, one project is between the CAISO and WestConnect; two are between NTTG and WestConnect; and one is between CAISO, NTTG, and WestConnect. None were submitted to ColumbiaGrid. Regardless of the planning region involved, all of the Western Planning Regions participated in the consideration and development of the inter-regional transmission project process evaluation plans.

- **How do the interregional transmission coordination processes interact with and relate to the regional transmission planning processes? How can the existing interregional transmission coordination requirements be modified (or re-envisioned) to foster interregional transmission development?**

At the time our “joint” tariff was being developed, the Western Planning Regions recognized that the timing of their individual regional planning processes were generally in alignment and as such, was not considered an impediment to a successful and robust interregional coordination process amongst themselves. However, at a more granular level, there are some regional process timing

mismatches between the four planning regions (i.e., the CAISO's annual regional process versus the other Western Planning Regions' biennial processes) that are currently being addressed by the regions. Addressing these mismatches are a matter of convenience and efficiency to further streamline our coordination processes. As the Western Planning Regions become more familiar working with each other, these timing mismatch issues will be minimized. The CAISO believes that completing the current coordination cycle and possibly the next is appropriate before considering any modifications to the process.

CAISO stakeholders have also indicated concerns related to the differing methodologies among the Western Planning Regions for determining project benefits. This could result in inconsistencies in estimating the benefits between the relevant Planning Regions and result in an unfair cost allocation between the relevant Planning Regions. The Commission should monitor how the Western Planning Regions will address these concerns should the issues materialize.

- **Have the interregional transmission coordination requirements affected how neighboring transmission planning regions communicate and consider issues related to regional transmission needs that might be better addressed with interregional transmission facilities?**

The Western Planning Regions are far too early in the interregional coordination process to determine whether their communication and coordination may affect regional versus interregional needs. That said, the CAISO has used the interregional coordination process to coordinate studies with WestConnect and NTTG that consider the benefits interregional transmission may bring to California in accessing out-of-state renewable resources. The CAISO intends to

study the four ITPs submitted into our regional process in the context of our 50 percent Renewable Portfolio Standard special studies in the 2016-2017 transmission planning process. While this effort will not result in the reconsideration of any regional transmission needs, it is providing the opportunity for the CAISO, NTTG, and WestConnect to coordinate interregional studies during this interregional coordination cycle. Prior to Order No. 1000, this effort would likely not have been possible.

- **When assessing the need for interregional transmission facilities, what processes are in place to ensure that the system models, supporting data, enabling assumptions, and scenarios used are current and consistent?**

All four of the Western Planning Regions use common WECC models as the basis for their system studies, including power flow and production cost analysis. Each planning region may make changes they deem appropriate to the common model and determine the assumptions for modifications to loads and resources for scenarios or projects they decide to study. However, the intent of the interregional coordination requirements are greater than what is provided by the exchange of information by WECC. The planning regions themselves must directly engage with each other to coordinate planning data to ensure our regional plans are accurately represented. To this end, the CAISO, NTTG, and WestConnect have developed and agreed to guidelines that will assist the coordination of planning data and information amongst ourselves. The CAISO and WestConnect have incorporated these guidelines into our respective transmission business practice manuals; NTTG has adopted the guidelines as a stand-alone document which they use to support and guide their coordination

with the other Western Planning Regions; ColumbiaGrid has not adopted these guidelines but does have an “information package” that they propose to follow to facilitate coordination with the other Western Planning Regions.

- **Is the requirement that an interregional transmission facility be selected in the regional transmission plan for purposes of cost allocation of both of the transmission planning regions in which it is proposed to be located creating a significant barrier to developing beneficial interregional transmission projects?**

It does create a hurdle, but rightfully so. A Planning Region that does not benefit from a project according to its regional assessment should not be involuntarily subjected to the costs of an inter-regional transmission project.

- **What interregional competitive transmission development processes have been created to select interregional transmission projects? Are there challenges posed by the organization and management of such processes?**

The CAISO views the differing approaches to interregional competitive transmission development as a challenge that the Western Planning Regions have yet to face. The CAISO has experience identifying necessary projects and administering competitive solicitations for those “regional” economic and policy projects it has approved through its competitive solicitation process; WestConnect is presently developing its own process to select project developers that may use cost allocation for regional projects; and ColumbiaGrid and NTTG use a sponsor model. The Western Planning Regions will have to address these “differences” in determining how a competitive process could be successfully administered to facilitate multiple developers working together to construct a project.