

FERC 890 Compliance



Department of Planning and Infrastructure Development, CAISO



California ISO
Your Link to Power

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Overview

Summary of FERC Order-890 related activities:

- ▶ Past activities
- ▶ Future activities

Draft Attachment K (Business Practice Manual and CAISO Tariff Section 24):

- ▶ Open Season
- ▶ Planning Process
 - Development of Study Assumptions
 - Performing Technical Studies
 - Developing CAISO Transmission Plan
- ▶ Economic Planning Study
- ▶ Regional Coordination
- ▶ Administrative Matters

Past Key Activities

- ▶ May 11, 2007: Posted draft Strawman Proposal
- ▶ May 24, 2007: Received stakeholder comments
- ▶ May 29, 2007: CAISO posted revised Strawman Proposal
- ▶ July 27, 2007: Stakeholder meeting to discuss ongoing issues
- ▶ August 10, 2007: Received stakeholder comments
- ▶ September 14, 2007: Posted initial draft BPM
- ▶ September 28, 2007: Received stakeholder comments
- ▶ October 12/18, 2007: Posted revised BPM and Section 24
- ▶ October 23, 2007: FERC Technical Conference

Future Activities

- ▶ November 5, 2007: Repost revised BPM and Section 24
- ▶ November 12, 2007: Stakeholder comments due
- ▶ November 15, 2007: Stakeholder conference
- ▶ November 30, 2007: Post revised BPM and Section 24
- ▶ December 12-13: CAISO Board of Governor consideration
- ▶ December 21: FERC compliance filing

Draft Attachment K

- ▶ CAISO Tariff structure differs from pro forma OATT
 - ▶ Order No. 890 requirements met through adoption of a BPM for Transmission Planning and amendments to Section 24 of the CAISO Tariff
- ▶ Major components
 - ▶ Open Season
 - ▶ CAISO Planning Process
 - ▶ Stakeholder Communication
 - ▶ Economic Planning Study
 - ▶ Regional Coordination
 - ▶ Other Matters
 - ▶ Availability of information
 - ▶ Alternative Dispute Resolution (ADR)

Open Season

- ▶ A central process for providing input to CAISO Transmission Plan
- ▶ Timeframe: January 1 – November 1
- ▶ Scope
 - ▶ Merchant transmission project proposals
 - ▶ PTOs transmission project proposals
 - ▶ Location Constrained Resource Interconnection Facilities (LCRIF) project proposals
 - ▶ Other information – renewable resource information, other generation RFO, LGIP, transmission objectives
 - ▶ Request for Economic Planning Studies

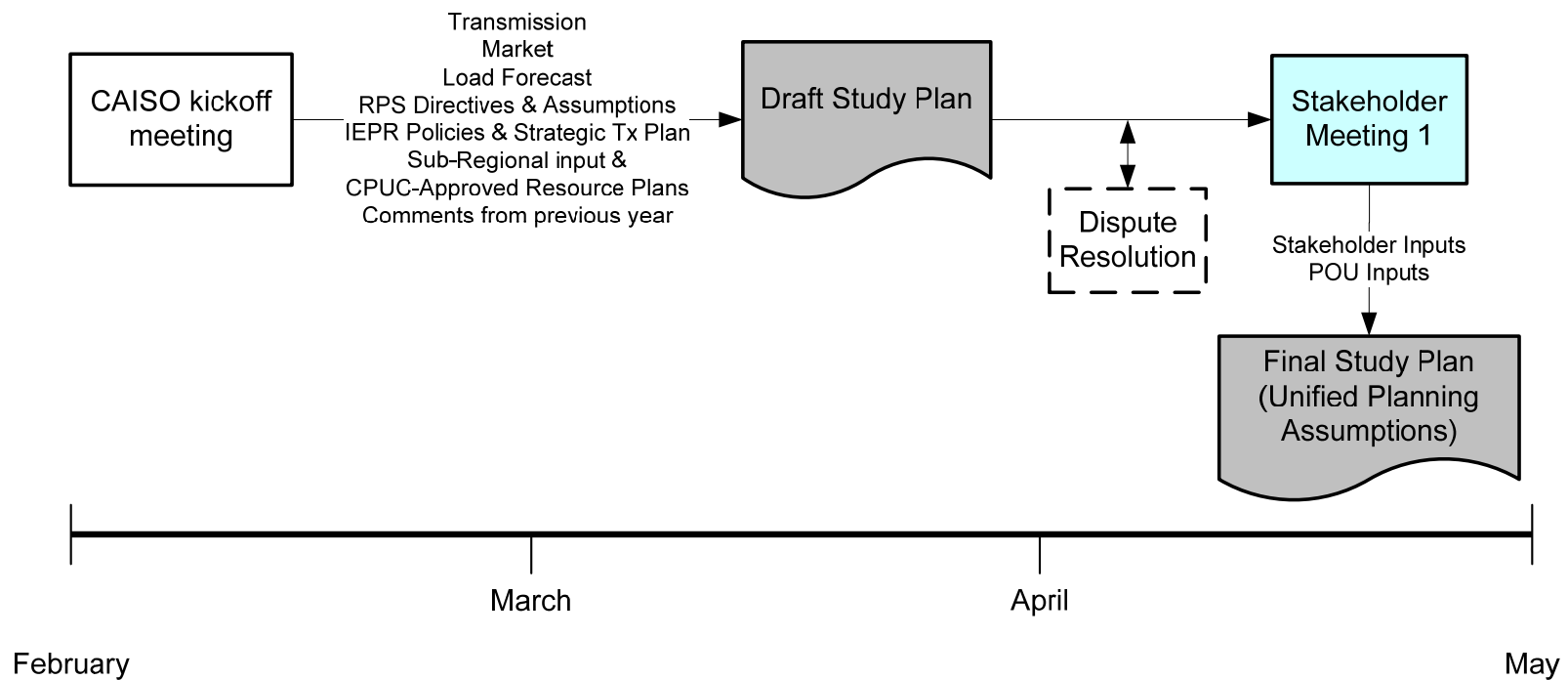
Open Season

- ▶ CAISO will screen Open Season requests to ensure:
 - ▶ Sufficient information has been provided to permit review
 - ▶ Scope of submission consistent with planning process, e.g., impacts CAISO Control Area, not duplicative of approved projects.
- ▶ A queue position will be assigned to a proposed transmission project
- ▶ Valid submission will be incorporated in unified planning assumptions and study plan of the next planning cycle

CAISO Planning Process

- ▶ Three major steps
- ▶ Step 1: Develop Unified Planning Assumptions
 - ▶ Timeframe: January - April
 - ▶ Compiles information to develop draft study plan
 - ▶ Draft study plan includes
 - ▶ Objectives
 - ▶ Planning data e.g. load forecast, gen and trans assumptions for all studies, contingency descriptions etc
 - ▶ Planning studies to be done and by whom
 - ▶ Schedule of key activities, communications, contact persons
 - ▶ Draft Study Plan, including assumptions, will be presented in 1st stakeholder meeting

CAISO Planning Process

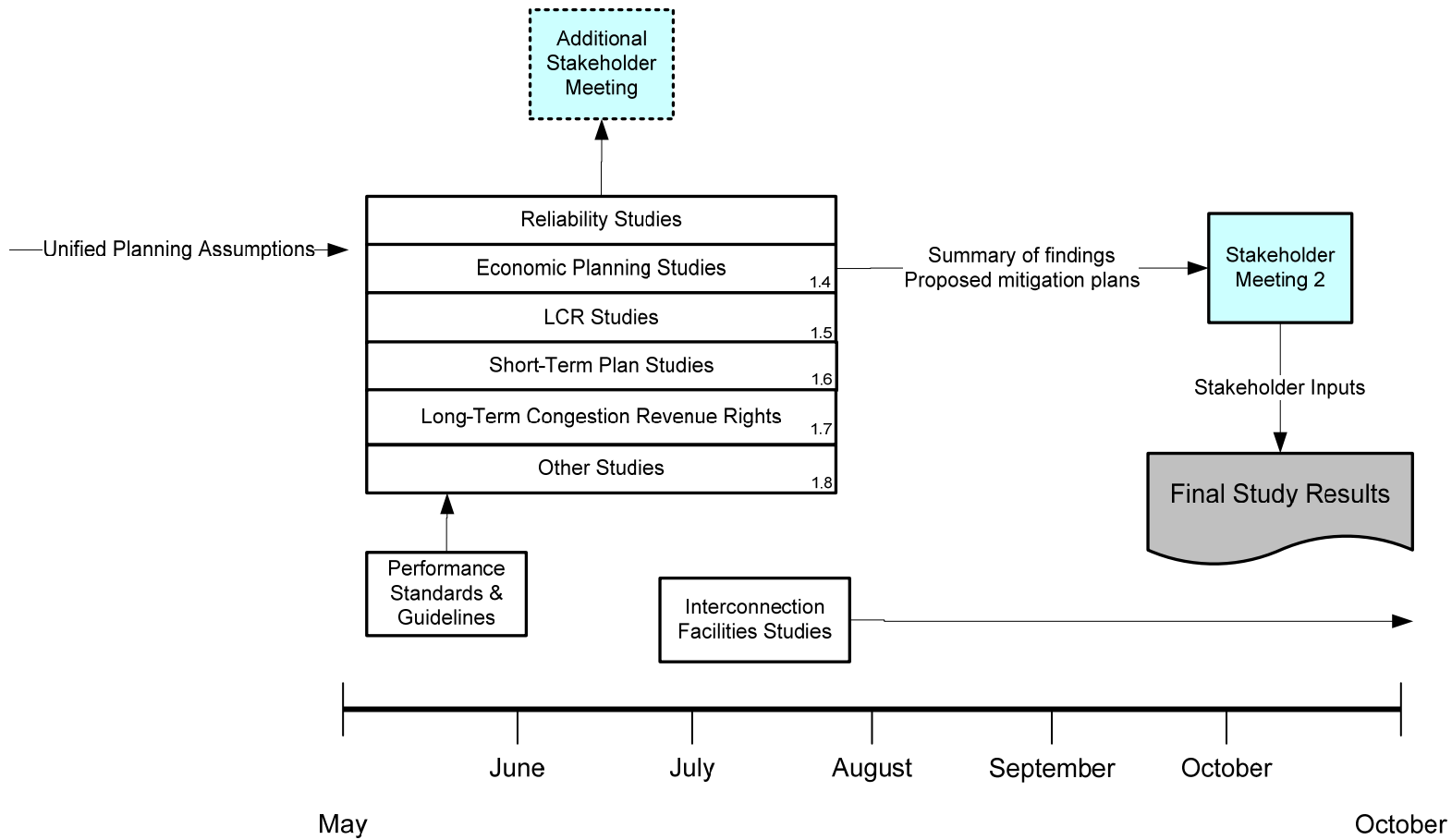


CAISO Planning Process

▶ Step 2: Performing Technical Studies

- ▶ Timeframe: May-October
- ▶ As outlined by study plan
 - ▶ Various technical studies are performed e.g. Reliability, Economic, LCR, Short-term plan etc
 - ▶ PTOs propose reliability project proposals
- ▶ Study results and proposed reliability projects will be presented during the 2nd CAISO stakeholder meeting
- ▶ Additional meetings may be held as necessary
- ▶ Stakeholder comments will be used as input for step 3

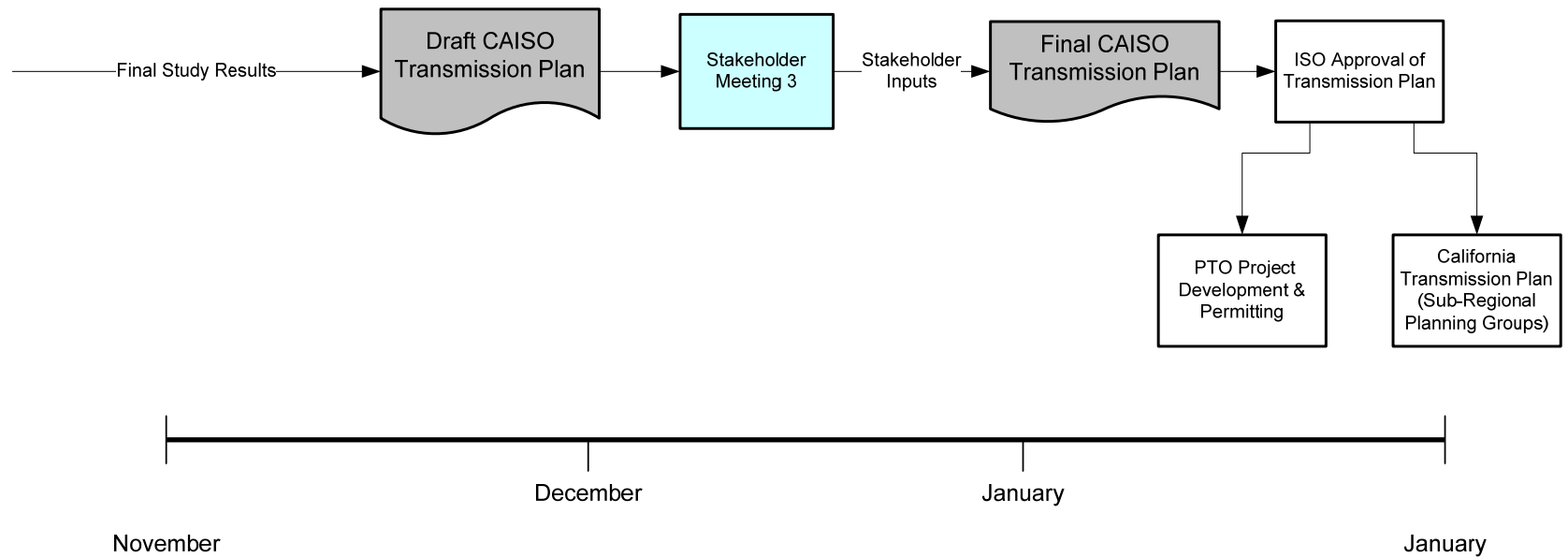
CAISO Planning Process



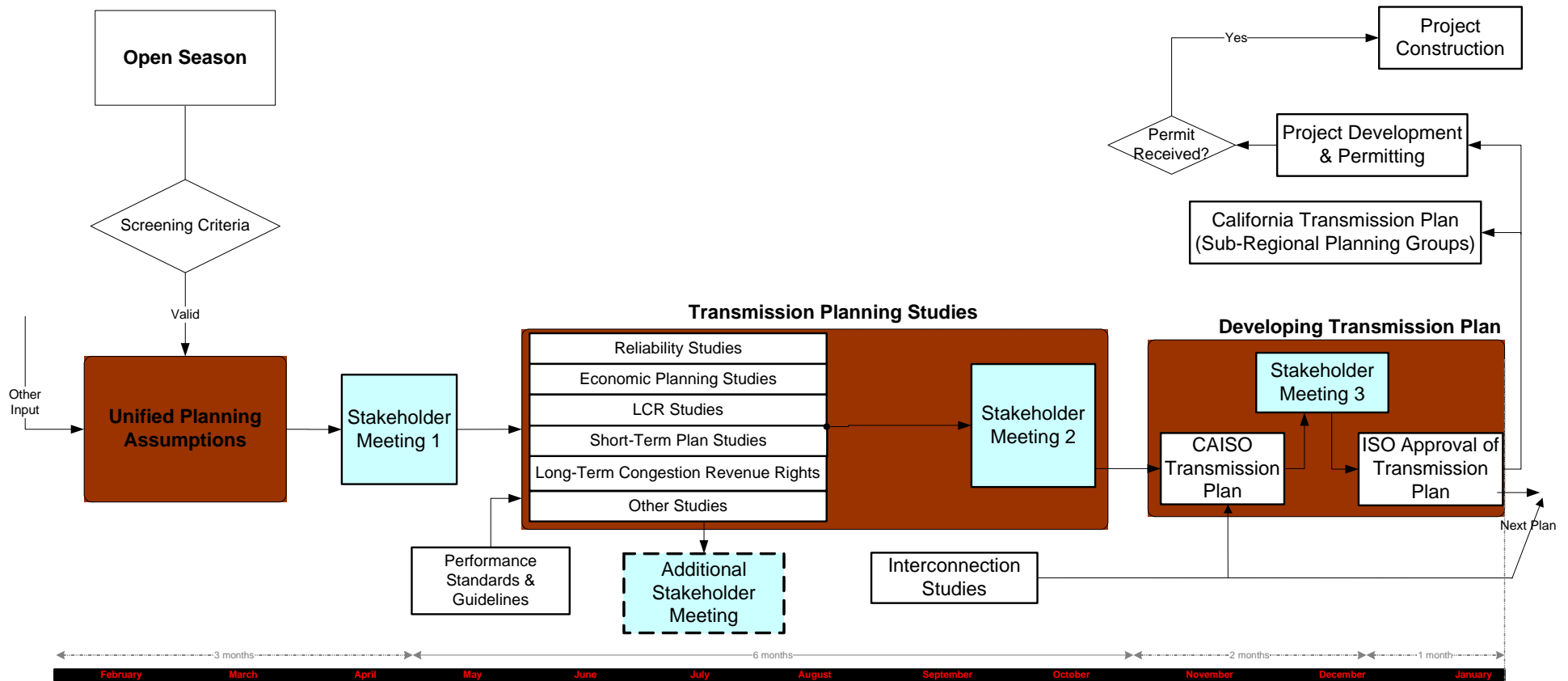
CAISO Planning Process

- ▶ Step 3: Development of CAISO Transmission Plan
 - ▶ Timeframe: November - January
 - ▶ Draft CAISO Transmission Plan report will be developed
 - ▶ CAISO will present a draft Transmission Plan report at the 3rd stakeholder meeting
 - ▶ CAISO management will approve justifiable proposals
 - ▶ After incorporating stakeholder comments, bring the plan to Board of Governors in January meeting
 - ▶ Transmission Plan considered final after presentation to Board of Governors

CAISO Planning Process



Overall Process



Stakeholder Communication

▶ From CAISO to stakeholders

- ▶ Market Notices (self-register)
- ▶ Distribution List (per request)
- ▶ CAISO website, study plan etc

🌐 Stakeholders communication with CAISO

- ▶ Emails e.g. regionaltransmission@caiso.com
- ▶ CAISO Subject Matter Experts
- ▶ Stakeholder meetings

Economic Planning Study

- ▶ Compliance
 - ▶ Order No. 890
 - ▶ CAISO initiative 5-year business plan
- ▶ CAISO will conduct studies for all Significant and Recurring Congestion
- ▶ Stakeholders may request up to 5 additional High Priority studies
- ▶ CAISO will conduct selected High Priority studies for stakeholders
- ▶ Study request must be submitted through Open Season
- ▶ Economic Planning Studies
 - ▶ Where appropriate, coordinate with Sub-regional or regional planning groups
 - ▶ Development of detailed methodology is ongoing

Regional Coordination

▶ Objectives

- ▶ Ensure transmission plans are simultaneously feasible
- ▶ Communicate major activities
- ▶ Coordinate requests for planning or economic studies

▶ Coordination

- ▶ Continue collaboration with neighboring control areas
- ▶ Support sub-regional planning in California
- ▶ Actively participates in various WECC committees
- ▶ Other forums as needed
- ▶ Coordinate and integrate with WECC TEPPC and other subregional planning groups

Other Matters

▶ Availability of Information

- ▶ Public information - CAISO website
- ▶ Confidential information – through NDA
- ▶ CAISO is working on creating a password-protected section of the CAISO website
 - ▶ CAISO verification
 - ▶ Execution of Non-Disclosure agreement

▶ Alternate Dispute Resolution (ADR)

- ▶ Three tiered process – negotiation, mediation, arbitration
- ▶ Study Plan Consultant – independent third party to provide recommendations on disputes during unified planning assumption and study plan phase