

Re: Comments on CAISO FERC Order 1000 compliance straw proposal

Date: June 15, 2012

Dear CAISO,

We appreciate CAISO providing a straw proposal that describes how it plans to meet the FERC Order 1000 compliance requirements for regional planning and cost allocation requirements and non-incumbent transmission developer requirements.

We are concerned, however, that CAISO has not provided any discussion of how to address non-transmission alternatives such as distributed generation, demand response, intelligent grid and other options. This is clearly an area of interest for FERC, as described in Order 1000 (Para. 148):

Through the regional transmission planning process, public utility transmission providers will be required to evaluate, in consultation with stakeholders, alternative transmission solutions that might meet the needs of the transmission planning region more efficiently or cost-effectively than solutions identified by individual public utility transmission providers in their local transmission planning process. This could include transmission facilities needed to meet reliability requirements, address economic considerations, and/or meet transmission needs driven by Public Policy Requirement discussed further below. When evaluating the merits of such alternative transmission solutions, public utility transmission providers in the transmission planning region also must consider proposed non-transmission alternatives on a comparable basis.

FERC has unfortunately not provided much guidance on this matter. For example, FERC responds to comments criticizing its interest in non-transmission alternatives by noting: “We disagree with those commenters that assert that non-transmission alternatives only should be considered in the local transmission planning process,” but also declares that “the regional transmission planning process is not the vehicle by which integrated resource planning is conducted; that may be a separate obligation imposed on many public utility transmission providers and under the purview of the states.”

While this strikes us as unclear, it is also apparent that non-transmission issues will increasingly become a factor for CAISO and other regional planning entities. We ask that CAISO pro-actively discuss potential approaches for addressing non-transmission matters. We also ask that CAISO

highlight potential problem areas that it currently envisions arising as non-transmission issues become increasingly important.

Sincerely,

_____/s_____

Rob Longnecker
Clean Coalition