

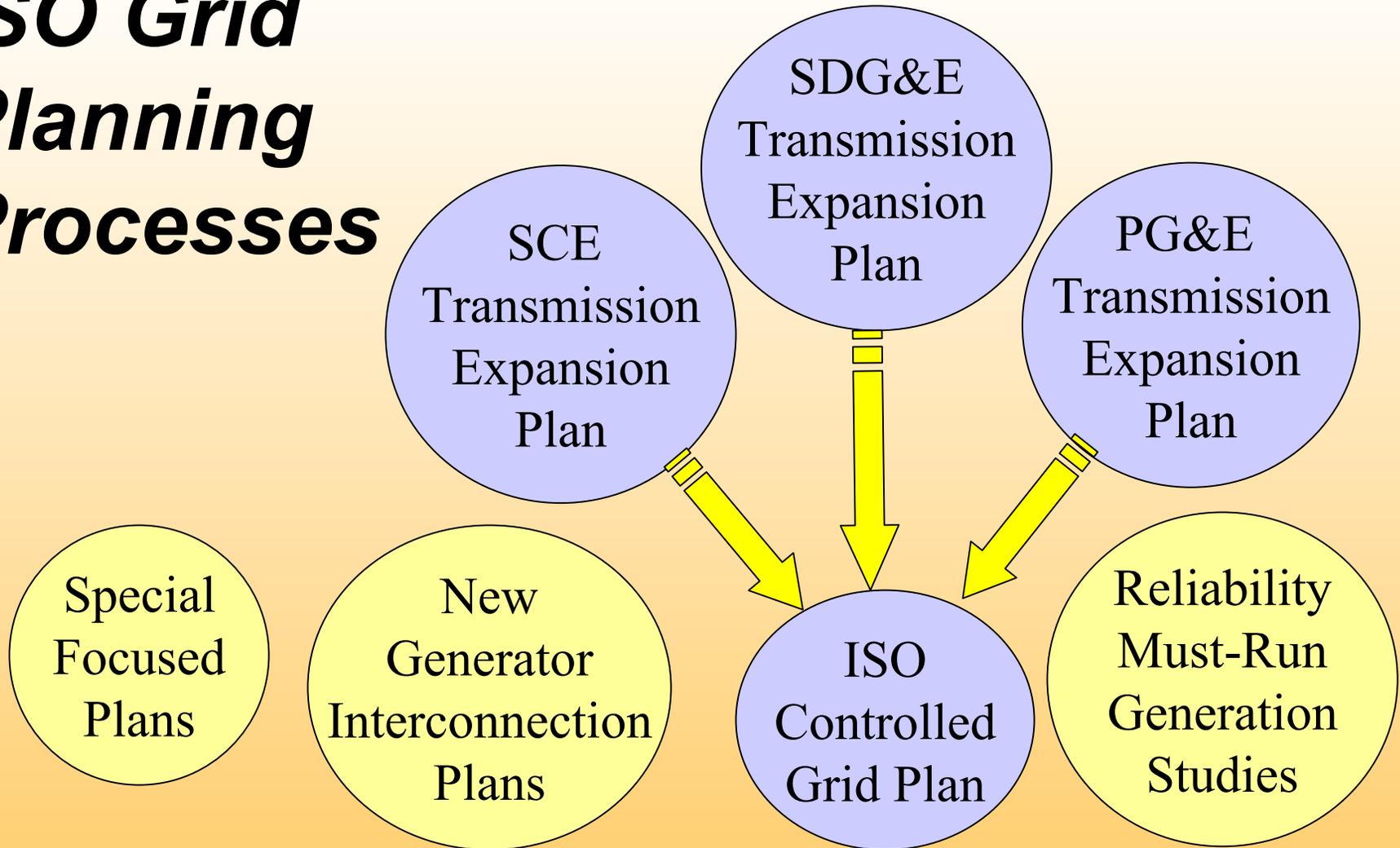
ISO Comprehensive Transmission Planning Process

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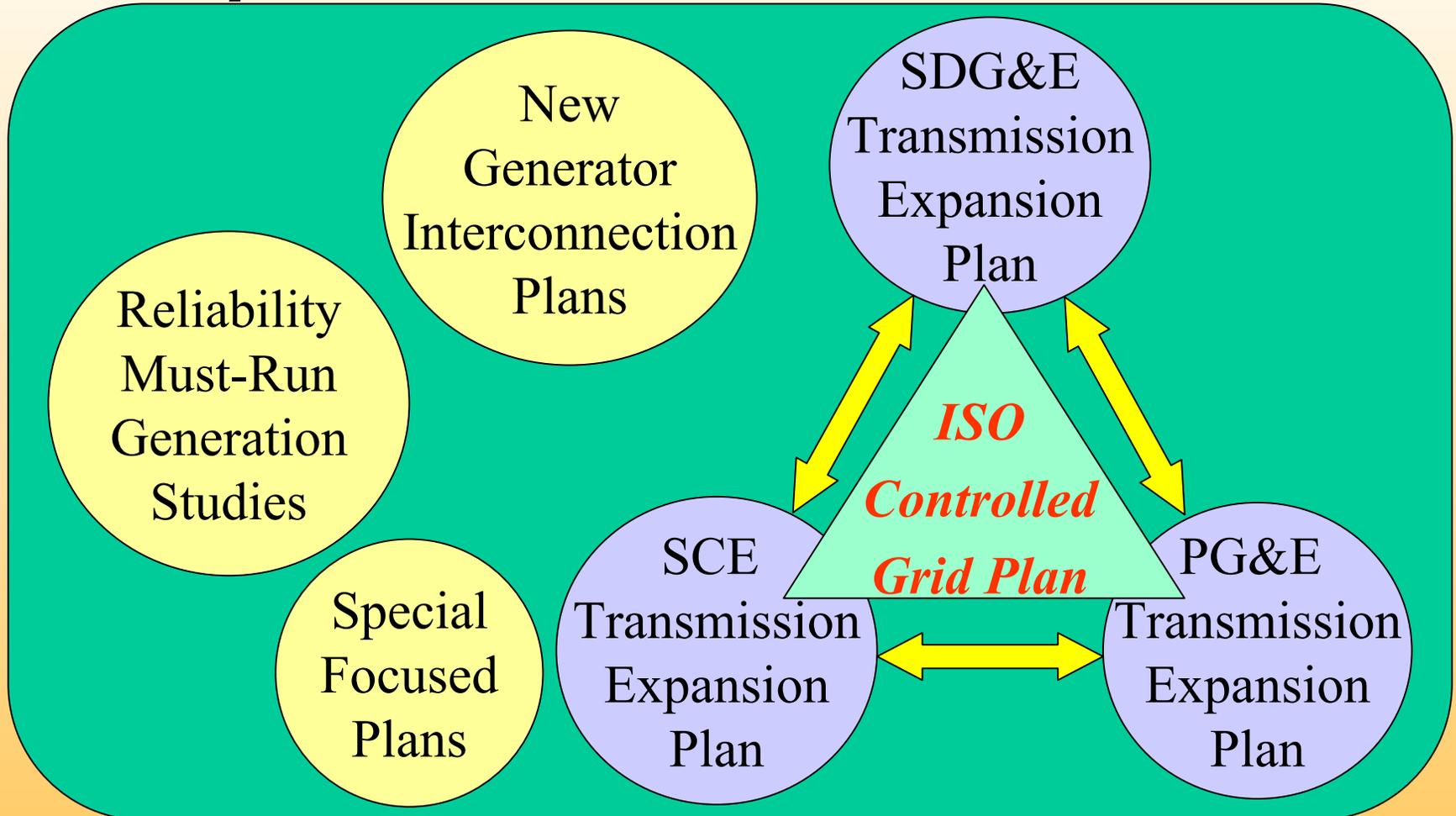


ISO Grid Planning Processes





Comprehensive Transmission Expansion Plan





Expansion Planning Process Roles

California ISO

- ***Leads and facilitates the process***
- ***Establishes reliability and economic need***
- ***Longer term, overall grid reliability needs***
- ***Collaboratively works with the PTOs, State, and Stakeholders to establish expansion plans***

Participating Transmission Organizations

- ***Performs majority of technical analysis***
- ***Focus on individual systems***
- ***Jointly participates in longer term reliability assessments***
- ***Collaboratively works with the ISO, State, and Stakeholders to establish expansion plans***

State & Stakeholders

- ***Participates in all processes***
- ***Provides guidance and recommendations on process objectives***
- ***Assures continuity of information across all stakeholder forums***
- ***Collaboratively works with the ISO and PTOs to establish expansion plans***



California's Challenges

- Service to local infrastructure
- Siting obstacles
 - Public process
 - Federal & State interaction
 - Long lead times – more than 5 years
- Money
- Reliability vs. economic
- Responsibility



What Is A Regional Long Term Transmission Study

- Masterplan for short-term project phases
- Incorporates broad stakeholder input and support
- Integrated with State's resource plan
- Optimally addresses, reliability and economic needs
- Seeks to minimize environmental impacts & costs



Stakeholders

- PTOs
- Local area
- State or States
- Federal

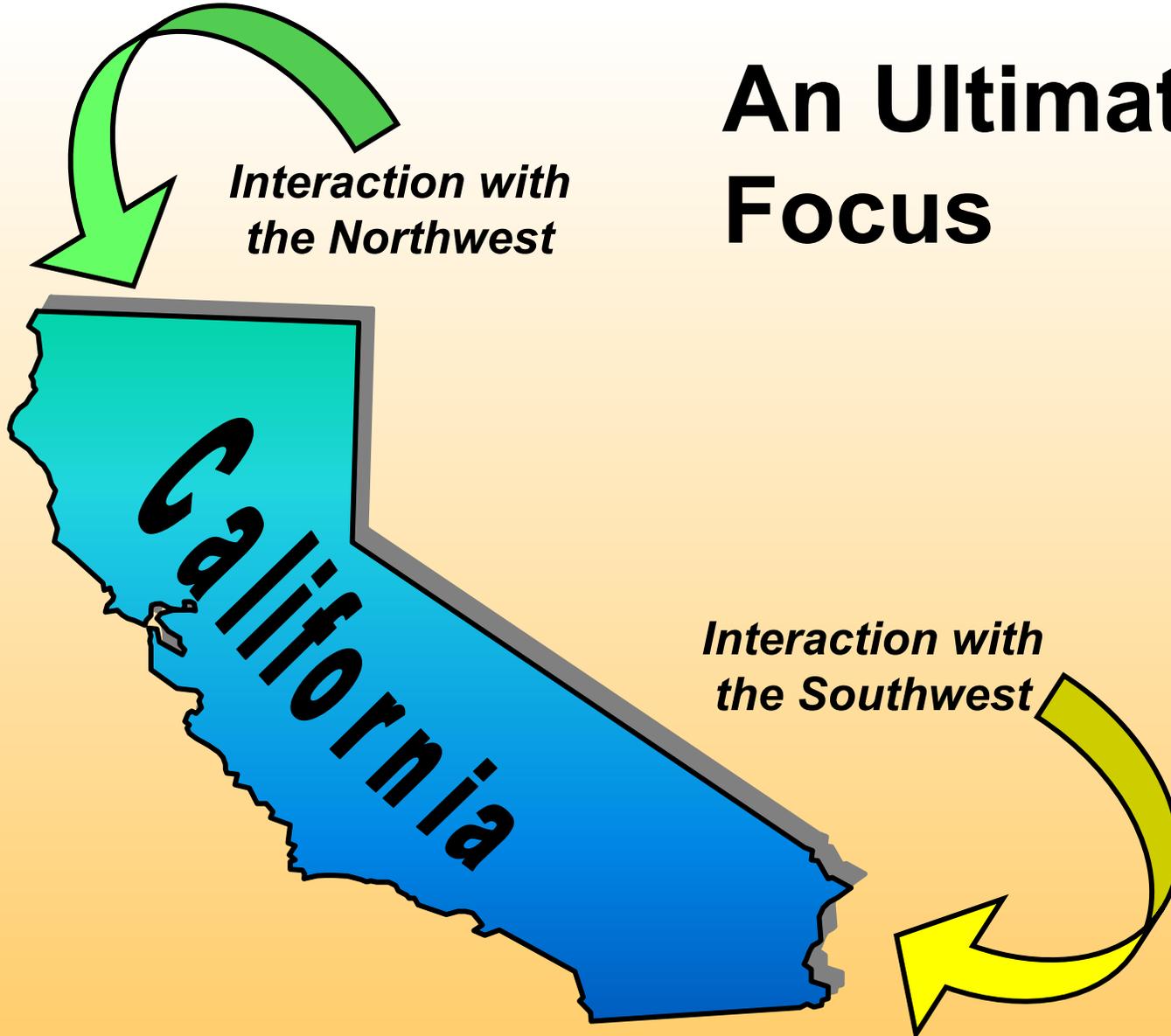


CAISO Perspective

- Issues are complex
 - Simple technical analysis is insufficient
 - Fact or Myth?
New 500kV transmission can be successfully implemented within a five year planning horizon
- Successful plan must be robust
 - Embraces numerous planning variables
 - Look forward 10 to 15 years
 - Facilitates broad stakeholder input
 - Provides insight and not necessarily specifics
- It will require a multi-faceted approach to achieve success



An Ultimate Focus





Ensure the ISO is well positioned for the future

- Re-focus PTO Expansion Planning to ten year horizon
- Improve integration of all ISO planning roles into PTO Expansion Plans
- Develop a regional long term transmission plan



Coordination with the IEPR

- Facilitate refinement of long-term transmission project assumptions for use in the IEPR
- Embrace discussion of common issues
- Incorporate long-term resource assumptions for use in the ISO Comprehensive Transmission Expansion Plan



Next Steps

- Work directly with the PTOs to develop a draft “strawman” proposal
 - Philosophies , objectives & methodologies
 - Responsibilities, processes & time line
- Brief stakeholders on the study
- Organize comprehensive stakeholder group
- Initiate “outreach” to others outside of California