UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Inquiry Regarding the Commission's Electric Transmission Incentives Policy	**)** **)**	**Docket No. PL19-3-000**

COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

The California Independent System Operator Corporation ("CAISO") submits these comments in response to the Federal Energy Regulatory Commission's (Commission) Notice of Inquiry in the captioned docket.[1]

I. BACKGROUND

On March 21, 2019, the Commission issued the NOI seeking comments on the scope and implementation of its electric transmission incentives regulations and policy. The Commission notes it has been 13 years since it issued Order No. 679,[2] which established the Commission's basic approach to transmission incentives and enumerated potential incentives the Commission would consider. Then the Commission refined its approach to transmission incentives in a 2012 policy statement, which further guided the Commission's interpretation of Order No. 679 and its approach toward granting transmission incentives, but did not alter the Commission's regulations or Order No. 679's basic approach to granting transmission incentives.[3] The

---

[1] *Inquiry Regarding the Commission's Electric Transmission Incentives Policy,* 166 FERC ¶ 61,208 (2019) (NOI).

[2] *Promoting Transmission Investment Through Pricing Reform,* Order No. 679, FERC Stats. & Regs. ¶ 31,222 (2006) (Order No. 679), *order on reh'g,* Order No. 679-A, FERC Stats. & Regs. ¶ 31,236, *order on reh'g,* 119 FERC ¶ 61,062 (2007).

[3] *Promoting Transmission Investment Through Pricing Reform,* 141 FERC ¶ 61,129 (2012).

Commission states there have been several developments since the Commission issued Order No. 679 and the subsequent policy statement. The Commission seeks comments from stakeholders on the Commission's transmission incentives policy and how the Commission should evaluate future requests for transmission incentives in a manner consistent with Congress's direction in Section 219 of the Federal Power Act.

The CAISO appreciates the opportunity to provide comments on the NOI. The CAISO's comments focus on three areas: (1) the factors that might justify (or not justify) return on equity (ROE) incentives for individual transmission projects; (2) the relationship between the Commission's transmission incentive policies and competitive solicitations conducted by independent system operators and regional transmission organizations to select project sponsors to construct, own, and operate regional transmission projects; and (3) making certain transmission incentives automatic and ensuring that incumbent and non-incumbent transmission developers have equal access to all transmission incentives.

First, the Commission should continue to evaluate any ROE incentives for individual transmission projects based on the risks and challenges of the project. The Commission should not apply ROE adders to individual transmission projects based on the level of net project benefits or project characteristics (*i.e.*, the specific type of benefit a transmission project provides or need it meets), without regard to project-specific risks or challenges. The CAISO believes there is no direct correlation between the net benefits a project approved in a regional transmission planning process provides or the type of transmission need a project meets, and the ROE adder that is necessary to attract capital or encourage a developer to build the project. Further, regional transmission planners ultimately determine what their transmission needs are; what projects should be constructed to meet those needs; and who should build them. These types of regional planner decisions should not create ROE adders for individual transmission projects. Rather, any project-based ROE adder should be tied to the specific risks and challenges of the project to the transmission developer the planning region has selected to construct it.

Second, Commission policies regarding transmission incentives must recognize that regional planners consider a transmission developer's commitment to forgo (or not forgo) a transmission incentive as a factor in their competitive solicitations to select project sponsors for approved transmission facilities. The Commission must not permit project sponsors that have forgone any transmission incentives in the project sponsor selection or competitive solicitation process to receive such incentives in its transmission incentive or rate case proceedings at the Commission.

Third, the Commission should adopt clear, well-defined transmission incentive rules and policies. This will facilitate transmission planner review of competing project sponsor proposals and result in more accurate and objective comparative analyses and approved project sponsor selections.

Finally, the Commission should grant automatic pre-approval for abandoned plant and regulatory asset treatment for projects the CAISO has approved in the annual transmission plan and awarded to a particular developer. The Commission should automatically grant construction work in progress (CWIP) to those developers that want it, but it should not mandate use of CWIP because some developers may prefer to use allowance for funds used during construction (AFUDC). Automatically granting the abandoned plant incentive is appropriate to incent transmission development because it can shield developers from the significant risks they face beyond their control. The Commission must also ensure that both incumbent and non-incumbent transmission developers are on a level playing field in terms of eligibility for and ability to use any transmission incentives the Commission grants.

II. COMMENTS

A. The Commission Should Not Evaluate Project-Specific ROE Adders Based on the Level of Project Benefits or Project Characteristics Unrelated to Risk

Questions 1-3, 4-11, 12-16.

As the Commission recognizes in the NOI, it requires applicants for incentives to demonstrate a nexus between the incentives sought and the risks and challenges of the investment being made. The Commission inquires whether it should instead evaluate incentive requests based on a transmission project's expected benefits. The Commission further inquires whether it could use transmission project characteristics as a proxy for expected benefits. Examples of project characteristics include transmission projects in regions with persistent needs, interregional transmission projects, or transmission projects that unlock constrained resources. The project characteristics identified in the NOI essentially reflect the need/reason for a project or the type of benefit a project provides. They do not pertain to the risks and challenges posed by a specific transmission project.

The Commission should continue to evaluate ROE adders for individual transmission projects based on the risks and challenges of the specific investment. The Commission should not evaluate project-specific ROE adder requests based on the expected net benefits of the transmission project or project characteristics unrelated to risk factors. Project-specific risks and challenges (*e.g.,* siting, project cancellation, abandonment, financial), and rate recovery are primary hurdles to needed transmission being built. Project-specific ROE adders based on net benefit levels or project characteristics unrelated to project-specific risks do not directly address these risks or ensure rate recovery.

Section 219 of the Federal Power Act (FPA) directed the Commission to "provide a return on equity that attracts new investment in transmission." Section 219 also stated that any final rule should "promote reliable and economically efficient transmission and generation of electricity by promoting capital investment in the enlargement, improvement, maintenance, and operation of facilities for the transmission of electric energy in interstate commerce." In implementing FPA Section 219, the Commission stated in Order No. 679 that the purpose of transmission incentives was "to benefit customers by providing real incentives to encourage new infrastructure, not simply increasing rates in a manner that has no correlation to encouraging new investment." [4] The Commission stressed that "we must encourage investors to take the risks associated with constructing large new transmission projects that can integrate new generation and otherwise reduce congestion and increase reliability."[5] The Commission also recognized that applicants should "show some nexus between the incentives being requested and the investment being made, *i.e.*, to demonstrate the

[4] Order No. 679 at P 6. Similarly, the Commission stated that it "should not provide incentives that only serve to increase rates without providing any real incentives to construct new transmission infrastructure." *Id.*

[5] *Id.* at P 25.

incentives are rationally related to the investment being proposed."[6] The Commission accordingly established a requirement that each applicant demonstrate there is a nexus between the incentive sought and the risks and challenges of the investment being made.

As FPA section 219 and Order No. 679 suggest, there should be a correlation between any project-specific ROE adder and encouraging investment in, and attracting capital for, the transmission project. To achieve this result, the Commission should continue to evaluate project-specific ROE adders based on the risks and challenges of the investment and not evaluate project-specific ROE adders based on the level of a project's expected benefits or characteristics, *i*.e., the benefit a project provides or need a project meets. There are several reasons why this is the more reasonable and rational approach.

First, the CAISO believes there is no causal link between the level of net benefits a project provides or the specific need a project addresses and the project-specific ROE adder the project sponsor should receive. In particular, the CAISO believes there is no causal link between the net benefits a project approved in a regional planning process provides or the type of need a project meets, and the level of ROE adder required to attract capital or encourage a developer to build the project. Standing alone, a project's net benefit level or the specific transmission need the project meets should not directly affect a project sponsor's ability to attract capital or pursue the project, particularly if the project has been approved in a regional planning process for purposes of cost allocation. In a competitive solicitation process like the CAISO's this should be even

---

[6] *Id.* at P 48.

less of a consideration.

But the specific risks or challenges associated with a project, particularly those beyond a transmission developer's control, can discourage a transmission developer from pursuing a transmission project or make it difficult to attract capital for the project, regardless of what the project's net benefit level is or what specific need justifies the project. A developer might need a greater ROE adder to build a project that provides $1 million in net system benefits to the system, but poses significant risk beyond the developer's control, than it would to build a project that provides $100 million in net system benefits but poses little risk to the developer. Similarly, if a regional transmission planner has found that two projects are needed, should one be eligible for a larger ROE adder merely because it connects to remote generation, whereas the other project connects to less remote generation, but costs significantly more to construct and poses significantly greater risk? Or, if two projects approved in a regional planning process for purposes of cost allocation cost the same amount and have similar risk profiles, but one promotes flexible transmission operations and the other supports a public policy need, why would one require a greater ROE adder to attract capital or encourage a developer to build it? The CAISO does not believe a project's net benefits and the specific need the project resolves by themselves (or in tandem) make it *per se* more (or less) difficult to attract capital for a project or encourage developers to pursue the project, especially if the project has been approved in a regional planning process.

The CAISO acknowledges that FPA Section 219 recognized that traditional ratemaking methodologies might not encourage new transmission infrastructure, but there should be some correlation between the incentive sought and the investment being made. Basing ROE adder decisions on the net benefits a project provides or the transmission need the project meets – in a vacuum – does not establish such a correlation. Obviously, increasing the ROE for any project will make the project more attractive to investors compared to a lesser ROE. But as the Commission recognized in Order No. 679, more should be required to justify granting a project-specific ROE adder than simply increasing rates. That "more" is the nexus between the specific incentive and the investment being made. The incentive should encourage investors to take the risks associated with the transmission project. However, expected project benefits or project characteristics do not automatically equate to increased project risk, and an increased ROE may not be necessary to pursue the project. Risk is a separate and distinct concept from project benefits or characteristics. Risk is the primary driver of whether a developer will invest in a project, not the mere benefits of the project or the specific transmission need the project meets. Any incentives analysis should consider project-specific risks and challenges, particularly those beyond a developer's control that cannot be mitigated through other means.

Second, transformational changes resulting from Order No. 1000 render ROE adders based on expected project benefits or project characteristics anachronistic. In that regard, Order No. 1000 required all public utilities to participate in a regional transmission planning process that produces a regional transmission plan. The Commission also required all planning regions to implement a method for allocating the costs of new transmission facilities selected in the regional transmission plan for purposes of cost allocation. The Commission found that having, a clear cost allocation methodology for projects approved in a regional transmission planning process would "increase the likelihood that that such transmission facilities will actually be built."[7] With cost allocation methods in place for projects approved in a regional planning process, it is unclear why project-specific ROE adders unrelated to individual project risks and challenges are necessary or appropriate to encourage investment in such projects.

Order No. 1000 ushered in a new era of required regional transmission planning; elimination of utility rights of first refusal; opportunities for non-incumbents to submit transmission proposals; and increased competition to build transmission projects to meet identified needs. If multiple transmission developers are interested in developing a project to meet a need identified in the regional planning process, it begs the question why any project-specific ROE incentives are needed to incent construction of such project, except to account for any unmanageable, project-specific, risks and challenges.

The CAISO has had healthy competition to build regional transmission facilities, which are subject to competitive solicitation, and in several instances, competing project sponsors have forgone ROE incentives to enhance their proposals in the competitive solicitation process. The CAISO also has authority to direct existing participating transmission owners to construct all facilities approved in the transmission plan not awarded through the competitive solicitation process or that were awarded through the

[7] *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities,* Order No. 1000 at PP 11, 136 FERC ¶ 61,051 (2011) (Order No. 1000), *order on reh'g,* Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g and clarification,* Order No, 1000-B, 141 FERC ¶ 61,o44 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. V. FERC.* 762 F.3d 41 (D.C. 2014). The Commission noted in Order No. 1000 that the lack of effective cost allocation mechanisms creates significant risk for transmission developers that they will have no identifiable group of customers from which to recover their costs. Order No. 1000 at P 485. In Order No. 1000, the Commission remedied this situation by requiring all planning regions to have cost allocation methodologies for all projects approved in the regional planning process that are consistent with the principles established in Order No. 1000. The Commission recognized that such approved methodologies "enhance certainty for developers of potential transmission facilities by identifying, up front, the cost allocation implications of a transmission facility in the regional transmission plan for purposes of cost allocation." *Id.* at P 561.

competitive solicitation process but the approved project sponsor could not complete them.[8] The CAISO has had no "push back" on projects it has directly assigned, thus necessitating additional project-specific ROE adders based on benefits or project need might be necessary. There is no demonstration that ROE incentives based on project benefits and characteristics unrelated to project-specific risks are necessary to encourage developers and existing transmission owners to build needed projects the CAISO approves in the transmission planning process.

Finally, the CAISO believes that granting an ROE incentive based on project-specific benefits or the type of need a project meets essentially constitutes an incentive for planning the system, not an incentive based on what is necessary to attract capital for a specific project or incent a developer to construct it. Regional transmission planners are already required to plan their systems to meet reliability, economic, and public policy needs they identify. The CAISO also has tariff provisions that allow it to approve transmission to connect location-constrained resources. Regional planners such as the CAISO identify transmission needs that require solutions. The CAISO and some other planning regions go a step further and actually identify in the transmission planning process (and document in the annual transmission plan) the specific facilities the transmission developer must construct.[9] ROE adders should account for the risks a regional planner's transmission planning decision has placed on the transmission developer, not simply provide additional compensation to the developer because the

[8] CAISO tariff section 24.6 and 24.6.4. There are no circumstances under the CAISO tariff where a regional transmission facility the CAISO finds to be needed will not have a project sponsor. One will always be assigned via the competitive solicitation process or the obligation to build tariff provisions.

[9] The CAISO performs a "top down" planning process in which it determines which specific transmission facilities constitute the more efficient or cost-effective transmission solution to meet an identified need and then identifies such facilities in its annual transmission plan.

transmission planner approved a project eligible for greater ROE adders in the planning process.

B. In Evaluating Transmission Incentive Requests the Commission Must Give Effect to Commitments Made in Competitive Solicitation Processes

After the CAISO identifies which transmission facilities are needed in the transmission planning process and documents them in the annual transmission plan approved by the CAISO Board of Governors, CAISO then conducts a competitive solicitation to select an approved project sponsor to build the needed regional transmission facilities. Thus, only after the CAISO identifies the solutions to be included in the transmission plan and the CAISO Board approves the annual transmission plan, do potential project sponsors submit proposals to build the specific solutions the CAISO identified in the transmission plan. The competitive solicitation is open to all interested project developers. Thus, in the CAISO's transmission planning process, stakeholders do not sponsor specific projects they would own and construct. Suggesting a specific mitigation solution in the planning process accords no right to build such solution.

The CAISO's competitive solicitation process allows individual project sponsors voluntarily to commit to forgo transmission incentives they might otherwise seek from the Commission. The CAISO considers this in conducting its comparative evaluations of project sponsors' proposals. In that regard, all else being equal, the CAISO would favor a proposal that forgoes rate incentives over a proposal that does not forgo them because that reduces the costs to ratepayers. To facilitate this effort (1) project sponsors must disclose in their application the specific transmission incentives they intend to seek from the Commission, and (2) project sponsors that intend to seek incentives must compare the estimated cost of their project with and without incentives.

In addition, the CAISO documents its analysis of project-specific incentives in its project sponsor selection report to inform ratepayers more fully of the CAISO's consideration of this factor.

The NOI does not expressly recognize that project sponsors may commit to forgo (certain) transmission incentives in regional planning selection or competitive solicitation processes. Also, the NOI does not address how any such transmission incentive commitments can be enforced. The CAISO recognizes that the NOI does not address these matters, but it does implicate transmission incentives and merit resolution. The CAISO notes that in Docket No. AD16-18, the Commission inquired who should monitor and enforce compliance with binding cost containment commitments in project sponsor selection processes and the most effective means of doing so.[10]

Consistent with the CAISO's Post-Technical Conference Comments in Docket No. AD16-18,[11] the Commission should not permit project sponsors foregoing transmission incentives in competitive solicitation processes to receive such incentives in their transmission incentives applications or rate cases filed with the Commission. Independent system operators and regional transmission organizations do not have enforcement authority over transmission costs and do not set transmission rates. Only the Commission has authority over the implementation and enforcement of transmission rates and incentives. For example, the CAISO relies on the Commission to enforce any binding cost containment measures reflected in an approved project sponsor agreement

---

[10] *Competitive Transmission Development Technical Conference*, Notice Inviting Post-Technical Conference Comments, Panel Two, Question #4, Docket No. AD16-18 (Aug. 3, 2016).

[11] Post-Technical Conference Comments of the California Independent System Operator Corporation, Docket No. AD16-18, at pp. 63-64 (Oct. 3, 2016) (CAISO Comments).

(APSA). The Commission can verify adherence to cost containment commitments and enforce binding cost containment commitments under its ratemaking authority.

To facilitate this effort, one option would be for the Commission to require all approved project sponsors to submit executed APSAs with their Section 205 filings to establish rates for a project they have been awarded and any petitions for rate incentives filed after the CAISO has awarded the project. If approved project sponsors seek and are awarded incentives before executing the APSA, the Commission could require them to submit the executed APSA on compliance so the Commission can reconsider any prior rulings, if necessary.

C. The Commission's Transmission Incentive Policies and Processes Should Facilitate Review of Project Sponsor Proposals in Competitive Solicitations

Questions 13, 23 96-97

The Commission's policies and practices regarding transmission incentives can affect competitive solicitation evaluations and decisions. In Docket No. AD16-18, the Commission inquired about how transmission providers in regions consider in the evaluation process that transmission developers may request and be awarded transmission incentives. [12] The Commission also asked whether there was an optimal time for it to decide on a request for rate incentives.[13]

In Post-Technical Conference Comments, the CAISO explained how it evaluates transmission incentives in its competitive solicitation process.[14] All else being equal, the

---

[12] *Competitive Transmission Development Technical Conference*, Notice Inviting Post-Technical Conference Comments, Panel Three, Question #7, Docket No. AD16-18 (Aug. 3, 2016).

[13] *Id.*

[14] CAISO Comments, at pp. 67-70.

CAISO would favor a proposal that forgoes return on equity incentives over a proposal that does not forgo them because it reduces the risk of cost escalation and can reduce costs (if the developer otherwise would have been eligible to receive them), thus benefitting ratepayers. In CAISO competitive solicitations, project sponsors have proposed a host of cost containment measures, including to forgo (or not forgo) certain transmission incentives.

Under these circumstances, the CAISO must evaluate the proposals based on the totality of facts, assessing the scope and robustness of the cost containment measures and the risk and potential magnitude of cost escalation. The CAISO and its expert consultant can run revenue requirement sensitivities that include and exclude reasonable values for transmission incentives, depending on what a project sponsor has proposed. To the extent a project sponsor does not commit to forgo a specific ROE incentive, the CAISO will treat that sponsor on an equal footing with every other project sponsor that did not commit to forego that ROE incentive because the CAISO cannot predict whether the Commission will grant (or deny) such incentive. The CAISO can run revenue requirement sensitivities for these project sponsors reflecting both no incentive and possible, reasonable incentive levels. For project sponsors that agree to forego a specific ROE incentive, the illustrative revenue requirement would reflect no ROE incentive, enabling the CAISO to compare the revenue requirement without an incentive to revenue requirements at various incentive levels.

Regarding the Commission's question in Docket No. AD16-18 about the optimal timing of transmission incentive request submissions to the Commission and Commission action on them, the CAISO responded that the Commission would need to issue an order(s) on such requests in time for the CAISO to consider it in its comparative analysis of project sponsors, which occurs during the "selection" phase of the competitive solicitation process.[15] This would require all project sponsors competing in a competitive solicitation to submit their transmission incentive requests immediately upon filing their proposals with the CAISO and for the Commission to rule on such submission within approximately 70 days after the bid window closes.

Clearly, it would be more beneficial from an apples-to-apples comparative analysis perspective if the Commission ruled on the transmission incentives for **all** project sponsors competing in a competitive solicitation before the CAISO becomes immersed in its comparative analysis. However, this would require all project sponsors to submit incentive requests immediately after filing their proposals with the CAISO, *i.e.*, well-before the CAISO selects an approved project sponsor.

The Commission has taken no action in Docket No. AD16-18. The CAISO urges the Commission, in reassessing its transmission incentive policies in this proceeding, to consider how its incentive policies might affect competitive solicitations for transmission. The CAISO recognizes that it may be impractical for the Commission to establish a synchronized process for assessing transmission incentive requests aligned with ISO or RTO competitive solicitation timelines. In the alternative, the CAISO believes the Commission should ensure that its incentive policies and incentive levels are clear and well-defined so ISOs and RTOs can easily, accurately, and objectively apply them when assessing competing proposals that forgo (or do not forgo) specific incentives.

---

15 *Id.* at pp. 70-71.

In the NOI, the Commission notes it has maintained discretion to determine the level of any granted return on equity rather than establishing pre-determined levels or ranges for incentive ROE.[16] The Commission asks whether it should retain broad discretion or adopt pre-determined ranges for incentives.[17] The Commission also asks whether it should lay out general principles for identifying project characteristics that might result in incentives or adopt bright line criteria.[18] Greater clarity, certainty, and specificity regarding the ROE incentives the Commission will award (whether in the form of pre-determined levels or ranges) will facilitate more accurate and objective comparative assessments in competitive solicitation processes. Also, defining with greater specificity (and certainty) the types of projects and project characteristics that will receive ROE incentives will further enhance competitive solicitation evaluations and promote greater objectivity. The more well-defined the incentive criteria are and the less discretion that exists, the easier it will be for an ISO or RTO to consider incentives in their competitive solicitation comparative analyses.

D. The Commission Should Pre-Approve Specified Incentives for Transmission Projects Selected in a Regional Transmission Plan and Place Non-Incumbent and Incumbent Transmission Owners on a Level Playing Field

Questions 52-54

The CAISO supports pre-approval for regulatory asset treatment and recovery of 100 percent of the prudently incurred costs of abandoned facilities. The CAISO believes that the Commission should permit project sponsors, case-by-case, to choose

---

[16] NOI at P 47.

[17] *Id.* at P 47, Questions 96-97.

[18] *Id*. at P 18, Question 13.

whether they want to use Construction Work In Progress (CWIP) or Allowance for Funds Used During Construction (AFUDC) and should not mandate use of CWIP. [19]

The CAISO believes that preapproval of abandoned plant recovery is appropriate when a facility has been initially proposed and approved through a process involving stakeholder input, such as the CAISO's transmission planning process, and the subsequent decision to abandon the project is not under the control of project developer. The CAISO tariff obligates approved project sponsors to make a good faith effort to obtain all approvals and property rights for and to construct needed transmission projects reflected in the annual transmission plan for which they are responsible.[20] Within 120 days after the CAISO selects an approved project sponsor, the approved project sponsor must submit a construction plan to the CAISO. Approved project sponsors especially should proceed with reliability projects in a diligent and expeditious manner so such projects can be completed in a timely manner, and the CAISO does not face potential reliability criteria violations. The availability of abandoned plant recovery promotes this undertaking and is an important incentive that enhances the options available to the CAISO in meeting reliability and other needs identified in its annual transmission planning process. Because approved project sponsors must immediately commence project development after being selected,[21] the CAISO believes they should be pre-approved for abandoned plant cost recovery to mitigate against any risk of cost non-recovery.

---

[19] The CAISO notes that many project sponsors in its competitive solicitations have opted for AFUDC rather than CWIP.

[20] CAISO tariff section 24.6.

[21] CAISO tariff sections 24.6 and 24.6.1.

Today, transmission developers face significant risk in developing and pursuing projects given the rapid changes in the industry; the risk that planning regions may find that projects approved in one transmission plan are no longer needed in a subsequent transmission plan as the result of changed circumstances;[22] and the significant challenges developers face in obtaining siting approvals. These and other factors can lead to project abandonment. Although the CAISO can consider potential abandonment and regulatory risk in determining which transmission solutions to approve, the CAISO does not determine what facilities ultimately are approved and sited. State and federal siting authorities control siting decisions; these decisions are beyond the CAISO's control and the control of individual transmission developers. Preapproving abandoned plant cost recovery will encourage participation in competitive transmission processes; promote the timely and diligent pursuit of approved projects; and protect transmission developers from undue risk.

In approving transmission incentives, the Commission should place both incumbent and non-incumbent transmission project developers on a level playing field. For example, the Commission approved the CAISO Section 205 tariff amendment to establish a mechanism by which an approved project sponsor that is not a CAISO participating transmission owner can recover Commission-authorized transmission revenue requirements associated with projects under construction before the facilities are turned over to CAISO operational control.[23]

---

22 In recent transmission planning cycles the CAISO has cancelled several previously approved transmission projects because there no longer is a need for such projects given changed conditions on the system beyond the control of the transmission developer.

23 *Calif. Indep. Sys. Operator Corp.,* 146 FERC ¶61,237 (2014).

III. CONCLUSION

Any final action the Commission takes in this proceeding should be consistent with the discussion herein.

Respectfully submitted,

By: ***/s/ Anthony Ivancovich***

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7135
Fax: (916) 608-7222
aivancovich@caiso.com

June 26, 2019

CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 26th day of June, 2019.

/s/ Grace Clark

Grace Clark

Document Content(s)