

RTO/ISO Competitive Transmission Programs

As FERC continues to implement Order No. 1000, it is important that those interested in competitive transmission understand the processes and time frames each RTO/ISO uses to solicit and evaluate competitive transmission proposals. There are important differences in the way each RTO/ISO considers competitive transmission proposals, especially the evaluation factors and criteria each uses.

The attached chart, prepared by the Gibson Dunn Energy, Regulation and Litigation Group, provides in one place the similarities and differences of each RTO/ISO process.

If you would like more details, please call any of the Gibson Dunn Energy Group members below.

We are involved in each of these markets and stand ready to help.

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	California ISO	PJM	MISO	SPP	ISO-NE	NYISO
Program Overview	<p>CAISO identifies need and develops/identifies solution.</p> <p>Developers only compete to finance, build, own and operate, (<i>i.e.</i>, not to design).</p> <p>Based on voltage class and regional designation:</p> <ul style="list-style-type: none"> • All regional projects (all > 200kV, some < 200kV) are competitive. • Incumbents build local projects and upgrades to existing facilities. 	<p>PJM identifies need and developers identify innovative solutions.</p> <p>Based on need date:</p> <ul style="list-style-type: none"> • Projects needed in 4 years and beyond are competitive. (A 200 kV voltage floor is being considered.) • Projects needed in 3 years or less are likely designated to incumbent. • Complete rebuilds or new facilities on existing right-of-way (ROW) can be competitive. 	<p>MISO identifies need and develops/identifies solution.</p> <p>Developers only compete to finance, build, own and operate, (<i>i.e.</i>, not to design).</p> <p>Based on project type:</p> <ul style="list-style-type: none"> • Market Efficiency and Multi-Value Projects (MEP and MVP) are competitive. • Baseline Reliability Projects and other classifications retain ROFR. 	<p>SPP identifies need and develops/identifies solution.</p> <p>Developers only compete to finance, build, own and operate (<i>i.e.</i>, not to design).</p> <p>Based on voltage class:</p> <ul style="list-style-type: none"> • > 300kV (highway) projects are competitive. • 100-300kV (byway) projects are competitive (unless needed within 3 years). 	<p>ISO-NE identifies need and developers identify innovative solutions.</p> <p>Based on need date:</p> <ul style="list-style-type: none"> • Projects that are > 115kV, projects that are needed for reliability in 3 years or more, economic projects, and public policy projects are competitive. • Projects needed for reliability within 3 years or projects where incumbent is the only entity to submit proposal to address identified need are ROFR. 	<p>NYISO identifies need and developers identify innovative solutions.</p> <p>Based on project type and need date:</p> <ul style="list-style-type: none"> • Reliability and economic projects are competitive. • Regulated backstop solutions for reliability are developed if timeline hits “trigger date” on lead time needed to address reliability need.
Who Can Participate?	<p>A project sponsor must apply to CAISO for approval as part of the project proposal.</p> <p>A project sponsor will be reviewed by CAISO to determine if the applicant can demonstrate that the project sponsor’s team is physically, technically, and financially</p>	<p>A participant must be pre-qualified as eligible to be a designated entity in PJM.</p> <p>PJM will open a thirty-day pre-qualification window each year for submittal of applications. Entities will be contacted by PJM with a response by Oct. 31.</p>	<p>A Qualified Transmission Developer must successfully complete the MISO Transmission Developer Application. MISO Transmission Owners bidding on projects that utilize their own facilities are already qualified bidders.</p>	<p>A participant must be a Qualified RFP Participant.</p>	<p>ISO-NE created the category “Qualified Transmission Project Sponsor” to allow both Transmission Owners and non-Transmission Owners to enroll.</p>	<p>No specific requirement. An interested entity can participate in the NYISO planning process without enrolling and may become a Transmission Owner either by signing the NYISO/TOA Agreement or the equivalent.</p>

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Who Can Participate? (continued)	capable of (i) completing the needed transmission solution in a timely and competent manner and (ii) operating and maintaining the transmission solution in a manner that is consistent with good utility practice and applicable reliability criteria for the life of the project.	(Applications outside the deadlines are possible for good cause shown).				
How to Participate?	<p>An assessment of the project sponsor team’s capabilities is part of the application and bidding process.</p> <p>The initial application contains questions regarding the specific qualifications of the project sponsor and the team.</p>	<p>Must be Pre-Qualified to participate.</p> <p>Must have experience acquiring ROWs.</p>	<p>Must be Pre-Qualified to participate.</p> <p>The pre-qualification process is conducted on an annual basis.</p>	<p>Must be Pre-Qualified to participate. Applicants are referred to as qualified request for proposal participants (QRPs).</p>	<p>Must be Pre-Qualified to participate.</p> <p>Must have experience and resources necessary to finance, license, construct, operate and maintain project.</p>	<p>Must be Pre-Qualified to participate.</p> <p>Must have experience and resources necessary to finance, license, construct, operate and maintain project, including technical and design experience.</p> <p>Must have experience acquiring ROWs.</p> <p>If NYISO selects and triggers a non-TO transmission project, it will enter into a non-incumbent transmission developer agreement.</p>

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Deadlines	Deadlines are established as CAISO rolls out requests for new proposals.	Deadlines are established as PJM rolls out new proposals. The proposal window is 30 days for short term projects and 120 days for long term projects – but PJM may adjust these terms based on project specifics.	<ul style="list-style-type: none"> January of each year - Pre-Qualification Application is released. MISO opened its Pre-Qualification Application on January 30, 2015. Applications are due March 31, 2015. 	<ul style="list-style-type: none"> All QRP applications must be received before June 30 of the year prior to the calendar year in which the applicant wishes to begin participating. An RFP will be published for each Competitive Upgrade that is approved for construction or endorsed by the SPP Board of Directors after January 1, 2015. Any QRP may submit a response to an RFP within 90 days of publication. 	ISO-NE has not yet announced any formalized RFP under Order No. 1000, and therefore the deadlines for any new projects are uncertain.	In each planning cycle, Developers will have 60 days from the date the NYISO solicits solutions to deliver such solutions to the NYISO. Incomplete proposals will be returned to the Developer for completion.
Selection Criteria	<ul style="list-style-type: none"> Experience and resources to finance, license, construct, operate and maintain project Design/Technical Schedule Experience acquiring ROW Cost Containment <p>The criteria are not absolute – applicants should review past approved projects.</p>	<ul style="list-style-type: none"> Design/Technical Cost/Cost-Effectiveness <p>Does not include a cost/benefit test.</p>	<ul style="list-style-type: none"> Must have participated in planning process Experience and resources to finance, license, construct, operate and maintain project Design/Technical Cost/Cost-Effectiveness 	<ul style="list-style-type: none"> Experience and resources to finance, license, construct, operate and maintain project Design/Technical Schedule Cost/Cost-Effectiveness 	<ul style="list-style-type: none"> Design/Technical Schedule Experience acquiring ROWs Cost/Cost-Effectiveness 	<ul style="list-style-type: none"> Cost/Cost-Effectiveness Comparable evaluation of viability and sufficiency of all solutions to meet reliability need

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Current Projects	<ul style="list-style-type: none"> CAISO recently announced that there are no regional transmission solutions recommended for approval in its 2014-2015 regional transmission plan that will be eligible for competitive solicitation. On February 9, 2015, CAISO identified the Harry Allen - Eldorado 500 kV transmission line project through the 2013-2014 transmission planning process. A stakeholder conference call was held on that same day to provide information to potential participants. Applications are due April 30, 2015. <p>In the 2013/2014 transmission planning process, CAISO identified and/or approved construction of the following reliability-driven projects:</p> <ul style="list-style-type: none"> A regional transmission facility to provide voltage 	<ul style="list-style-type: none"> PJM’s first project is Artificial Island. PJM opened the proposal window in April 2013 and closed it in June 2013 with 26 proposals received. PJM staff modified the proposals and recommended PSE&G should be selected to build the project. The Board did not approve PJM staff’s recommendation and alternatively the Board considered a cost cap proposal from LS Power. The PJM Board then solicited four “finalists” to supplement their bids with the cost-cap – PSE&G, Transource, LS Power and Dominion. The PJM Board has not issued a final decision at this 	<ul style="list-style-type: none"> Projects to be announced in July-August 2015. 	<ul style="list-style-type: none"> During the Integrated Transmission Planning (ITP) process, once the applicable ITP study scope has been approved and the needs assessment performed, SPP shall notify stakeholders of the identified transmission needs and provide a transmission-planning response window of 30 calendar days. During this time, any stakeholder may submit a Detailed Project Proposal. In December 2014, SPP issued its list of QRP entities for 2015. On January 9, 2015, SPP issued 	<ul style="list-style-type: none"> On Feb. 12, 2015, ISO-NE selected National Grid and Eversource Energy’s proposed Greater Boston and New Hampshire Solution as its preferred option to significantly improve the reliability of the region’s power grid. The alternative solution, known as “SeaLink” and proposed by a unit of NextEra Energy, was not selected based on cost differences. The all-AC proposal was chosen over another proposal supported by New Hampshire Transmission, which included the use of both AC and underwater, high-voltage direct current components. This 	<ul style="list-style-type: none"> No active projects at this time. New projects are expected in 2015. And, in 2012, New York State developed the New York “Energy Highway Blueprint” that identified a wide range of measures to develop up to 3,200 MW of additional electric generation and transmission capacity in New York State.

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Current Projects (continued)	<p>support at the Miguel 500kV bus.¹</p> <ul style="list-style-type: none"> The Estrella substation project.² The Spring substation project.³ The Wheeler Ridge Junction substation project.⁴ <p>And, as part of the 2013-2014 planning process, the ISO approved construction of the economically-driven Delaney to Colorado River 500 kV transmission line.⁵</p> <p>Also, as part of the 2013-2014 planning process, the ISO identified a policy-driven need</p>	<p>time.</p> <ul style="list-style-type: none"> On January 29, 2015 PSE&G filed a complaint against PJM with FERC alleging that PJM failed to comply with its own Tariff rules when conducting the solicitation for Artificial Island. 		<p>instructions to access the confidential 2015 ITP10 final consolidated portfolio project list. SPP issues a needs assessment based on its near-term and 10-year integrated transmission plans, after which it will open a 30-day detailed project proposal (DPP) window. There are no DPP open windows at this time.</p>	<p>RFP was initiated prior to the issuance of FERC Order No. 1000.</p>	

¹ San Diego Gas and Electric Co. was chosen as the project sponsor.

² The project sponsors under consideration by CAISO for selection are: Brookfield California Transmission, LLC; Golden State Transmission, LLC; NextEra Energy Transmission West, LLC; and Pacific Gas and Electric Company.

³ The project sponsors under consideration by CAISO for selection are: NextEra Energy Transmission West, LLC; Brookfield California Transmission West, LLC; and Pacific Gas and Electric Company.

⁴ The project sponsors under consideration by CAISO for selection are: Brookfield California Transmission, LLC.; Golden State Transmission, LLC; NextEra Energy Transmission West, LLC; and Pacific Gas and Electric Company.

⁵ The validated project sponsors (who will be considered for review and final selection) are: DCR Transmission, LLC (a joint venture between Abengoa Transmission & Infrastructure and an affiliate of Starwood Energy Group Global, Inc.); California Transmission Development LLC (a wholly owned subsidiary of LS Power & Associates); Duke-American Transmission Company LLC, in collaboration with Western Area Power Administration Desert Southwest Region, and Citizens Energy Corporation; NextEra Energy Transmission West LLC (a wholly owned subsidiary of NextEra Energy Transmission); Southern California Edison Company; and TransCanyon DCR LLC (wholly owned by TransCanyon LLC).

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Current Projects (continued)	<p>for a 300 MVAR dynamic reactive power support project connecting to the Suncrest 230 kV bus.⁶</p> <p>In the 2012-2013 planning process, the ISO identified three regional transmission facilities that were subject to the Phase 3 competitive solicitation process:</p> <ul style="list-style-type: none"> • The Imperial Valley 230 kV transmission line and new substation; • The Gates-Gregg 230 kV transmission line; and • The Sycamore-Penasquitos 230 kV transmission line. <p>The ISO negotiated Approved Project Sponsor Agreements (APSAs) separately with each approved project sponsor selected and submitted these APSAs to the FERC for approval, and all were approved by FERC.</p>					

⁶ The project sponsors are listed as NextEra Energy Transmission West, LLC and San Diego Gas and Electric Company.