



**Federal Energy Regulatory Commission  
December 16, 2010  
Open Commission Meeting  
Staff Presentation  
Item E-5**

"Good morning, Mr. Chairman and Commissioners.

Item E-5 involves the California Independent System Operator Corporation's proposed Revised Transmission Planning Process, or RTPP.

The RTPP provides for a more comprehensive approach to transmission planning than California ISO's current transmission planning process. As proposed, the RTPP fosters statewide participation in the planning process and culminates in the development of a comprehensive transmission plan for California ISO's balancing authority area.

The RTPP also enables a partial integration of the generator interconnection process with the overall transmission planning process.

Additionally, the RTPP creates a new category of network transmission facilities called policy-driven elements. California ISO proposes to identify policy-driven elements as those necessary to achieve state and federal policy requirements and directives, such as greenhouse gas reduction requirements and renewable energy targets that are currently set at 33%.

The RTPP also includes a competitive solicitation process that gives all transmission developers the opportunity to propose to construct and own policy-driven and economically-driven transmission elements.

The draft order finds that the RTPP proposal enhances California ISO's transmission planning process by improving transparency and openness and expanding stakeholder, sub-regional, and regional collaboration.

The draft order conditionally accepts the California ISO's proposal and requires certain modifications to ensure no undue discrimination or preference in the RTPP. Green Energy Express and 21<sup>st</sup> Century Transmission Holdings' related Petition for Declaratory Order is also addressed in E-5.

The draft order finds the RTPP to be a positive step toward facilitating the development of new transmission infrastructure to meet California's ambitious renewable portfolio standards and other environmental goals, and also recognizes California ISO's efforts to expand its transmission planning process beyond its previously-approved Order No. 890-compliant process.

That concludes our presentation. We will be happy to take any questions."