

Key Selection Factors in Selection of Successful Project Sponsors Relating to the 2021-2022 Transmission Plan



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Key Qualification Criteria and Selection Factors

Pursuant to Section 24.5.1 of the ISO's tariff, the ISO is posting its key qualification criteria and selection factors for each of the transmission solutions recommended for approval in its draft 2021-2022 Transmission Plan released on January 31, 2022 that are eligible for the ISO's competitive solicitation process.

Section 24.5.1 states:

Within 30 days after the CAISO posts the draft comprehensive Transmission Plan to its website, for each Regional Transmission Facility identified in the comprehensive Transmission Plan that is subject to competitive solicitation, the CAISO will post, for informational purposes only, those existing qualification criteria and selection factors, in addition to any binding cost containment commitments, which the CAISO believes are key for purposes of selecting an Approved Project Sponsor for the particular transmission solution, consistent with the comparative analysis described in section 24.5.4 and the project sponsor qualification and selection criteria specified in sections 24.5.3.1 and 24.5.4, respectively.

As stated in Section 24.5.1, these key criteria and factors are identified for the purpose of assisting Project Sponsors in preparing their applications and to highlight specific topics to which particular attention should be paid in the application given their particular importance in connection with a specific Regional Transmission Facility. The posting of the key selection criteria is not a replacement or substitute for the qualification and selection criteria set forth in sections 24.5.3.1 and 24.5.4, and in its comparative analysis conducted in accordance with section 24.5.4, the ISO is required to comparatively assess all of the qualification and selection criteria, not just those listed as key selection criteria.

Manning 500/230 kV Substation Project

This is a policy-driven transmission solution, where the timing is critical to ensure viability of renewable generation resources. The key qualification criteria and selection factors are:

- Selection factor section 24.5.4 (a) - the current and expected capabilities of the Project Sponsor and its team to finance, license, and construct the facility and operate and maintain it for the life of the solution;
- Selection factor section 24.5.4 (b) - the Project Sponsor's existing rights of way and substations that would contribute to the transmission solution in question;
- Selection factor section 24.5.4 (d) - the proposed schedule for development and completion of the transmission solution and demonstrated ability to meet that schedule of the Project Sponsor and its team;
- Selection factor section 24.5.4 (e) - the financial resources of the Project Sponsor and its team;

- Selection factor section 24.5.4 (j) - demonstrated cost containment capability of the Project Sponsor and its team, specifically, binding cost control measures the Project Sponsor agrees to accept, including any binding agreement by the Project Sponsor and its team to accept a cost cap that would preclude costs for the transmission solution above the cap from being recovered through the CAISO's Transmission Access Charge, and, if none of the competing Project Sponsors proposes a binding cost cap, the authority of the selected siting authority to impose binding cost caps or cost containment measures on the Project Sponsor, and its history of imposing such measures.

Collinsville 500/230 kV Substation Project

This is a policy-driven transmission solution, where the timing is critical to ensure viability of renewable generation resources. The key qualification criteria and selection factors are:

- Selection factor section 24.5.4 (a) - the current and expected capabilities of the Project Sponsor and its team to finance, license, and construct the facility and operate and maintain it for the life of the solution;
- Selection factor section 24.5.4 (b) - the Project Sponsor's existing rights of way and substations that would contribute to the transmission solution in question;
- Selection factor section 24.5.4 (d) - the proposed schedule for development and completion of the transmission solution and demonstrated ability to meet that schedule of the Project Sponsor and its team;
- Selection factor section 24.5.4 (e) - the financial resources of the Project Sponsor and its team;
- Selection factor section 24.5.4 (j) - demonstrated cost containment capability of the Project Sponsor and its team, specifically, binding cost control measures the Project Sponsor agrees to accept, including any binding agreement by the Project Sponsor and its team to accept a cost cap that would preclude costs for the transmission solution above the cap from being recovered through the CAISO's Transmission Access Charge, and, if none of the competing Project Sponsors proposes a binding cost cap, the authority of the selected siting authority to impose binding cost caps or cost containment measures on the Project Sponsor, and its history of imposing such measures.

Newark– Northern Receiving Station HVDC Project

This is a reliability-driven transmission solution, where the timing is critical to ensure reliability in a major portion of the ISO controlled grid. The key qualification criteria and selection factors are:

- Selection factor section 24.5.4 (a) - the current and expected capabilities of the Project Sponsor and its team to finance, license, and construct the facility and operate and maintain it for the life of the solution;
- Selection factor section 24.5.4 (b) - the Project Sponsor's existing rights of way and substations that would contribute to the transmission solution in question;

- Selection factor section 24.5.4 (c) - the experience of the Project Sponsor and its team in acquiring rights of way, if necessary, that would facilitate approval and construction, and in the case of a Project Sponsor with existing rights of way, whether the Project Sponsor would incur incr costs in connection with placing new or additional facilities associated with the transmission solution on such existing right of way;
- Selection factor section 24.5.4 (d) - the proposed schedule for development and completion of the transmission solution and demonstrated ability to meet that schedule of the Project Sponsor and its team;
- Selection factor section 24.5.4 (e) - the financial resources of the Project Sponsor and its team;
- Selection factor section 25.4.4 (f) - the technical and engineering qualifications and experience of the Project Sponsor and its team;
- Selection factor section 24.5.4 (j) - demonstrated cost containment capability of the Project Sponsor and its team, specifically, binding cost control measures the Project Sponsor agrees to accept, including any binding agreement by the Project Sponsor and its team to accept a cost cap that would preclude costs for the transmission solution above the cap from being recovered through the CAISO's Transmission Access Charge, and, if none of the competing Project Sponsors proposes a binding cost cap, the authority of the selected siting authority to impose binding cost caps or cost containment measures on the Project Sponsor, and its history of imposing such measures.

Metcalf – San Jose B HVDC Project

This is a reliability-driven transmission solution, where the timing is critical to ensure reliability in a major portion of the ISO controlled grid. The key qualification criteria and selection factors are:

- Selection factor section 24.5.4 (a) - the current and expected capabilities of the Project Sponsor and its team to finance, license, and construct the facility and operate and maintain it for the life of the solution;
- Selection factor section 24.5.4 (b) - the Project Sponsor's existing rights of way and substations that would contribute to the transmission solution in question;
- Selection factor section 24.5.4 (c) - the experience of the Project Sponsor and its team in acquiring rights of way, if necessary, that would facilitate approval and construction, and in the case of a Project Sponsor with existing rights of way, whether the Project Sponsor would incur incr costs in connection with placing new or additional facilities associated with the transmission solution on such existing right of way;
- Selection factor section 24.5.4 (d) - the proposed schedule for development and completion of the transmission solution and demonstrated ability to meet that schedule of the Project Sponsor and its team;
- Selection factor section 24.5.4 (e) - the financial resources of the Project Sponsor and its team;
- Selection factor section 25.4.4 (f) - the technical and engineering qualifications and experience of the Project Sponsor and its team;
- Selection factor section 24.5.4 (j) - demonstrated cost containment capability of the Project Sponsor and its team, specifically, binding cost control measures the Project Sponsor agrees to accept, including any binding agreement by the Project Sponsor and its team to accept a cost

cap that would preclude costs for the transmission solution above the cap from being recovered through the CAISO's Transmission Access Charge, and, if none of the competing Project Sponsors proposes a binding cost cap, the authority of the selected siting authority to impose binding cost caps or cost containment measures on the Project Sponsor, and its history of imposing such measures.