

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Southern California Edison Company)

Docket No. EL10-1-002

**COMMENTS OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation submits these comments on the compliance filing by Southern California Edison Company on May 16, 2011 in response to the condition set forth in the Commission's October 29, 2010 order in this proceeding.¹ SCE's filing requests the Commission's confirmation that it has satisfied the conditions of the October 29, 2010 order for recovery of any costs of abandoned plant and other rate incentives for the proposed Eldorado-Ivanpah Transmission Project.

The ISO's November 2, 2009 comments on SCE's original petition for approval of these rate incentives proposed that the Commission make any approval of SCE's request for recovery of abandoned plant costs conditional on the ISO's approval of the Eldorado-Ivanpah project through execution of Large Generator Interconnection Agreements that specify the need for this project as a network upgrade in those LGIAs. The ISO confirmed in its comments filed on August 24, 2010 in this proceeding that it had executed the three LGIAs described in footnote 12 of SCE's August 3, 2010 compliance filing in this proceeding and had thereby approved the need for the portions of the Eldorado-

¹ *Southern California Edison Co.*, 133 FERC ¶ 61,108 (2010). These comments are submitted pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.213 (2010). The ISO is sometimes also referred to as the CAISO.

Ivanpah project described in those LGIAs in accordance with the condition that the ISO proposed in its November 2, 2009 comments.

However, as noted in footnote 8 of SCE's August 3, 2010 compliance filing, and as highlighted by the ISO in its August 24, 2010 comments, the three executed LGIAs trigger the need for a double circuit line for the Eldorado-Ivanpah project with only one of the two circuits to be constructed and energized initially and do not identify a need for a third transformer bank at Ivanpah substation.² As described in SCE's August 3, 2010 filing, SCE's Application for a Certificate of Public Convenience and Necessity for the Eldorado-Ivanpah project to the California Public Utilities Commission sought to permit the full project, including both circuits and the third transformer bank. SCE indicated that it understood that the need for these additional portions of its full version of the Eldorado-Ivanpah project would be triggered by additional generation pending in the ISO's generator interconnection queue and requested that the Commission condition approval of the construction of these facilities on either (1) the ISO's execution of additional LGIAs including these facilities as needed network upgrades or (2) an order of the CPUC to install these facilities. The ISO supported the imposition of a condition that recovery of the costs of abandoned plant for these facilities be contingent on the ISO's execution of additional LGIAs that include these facilities as network upgrades.

In its May 16, 2011 compliance filing, SCE requests that the Commission confirm SCE's eligibility for recovery of abandoned plant costs and other rate incentives for the full build-out of the Eldorado-Ivanpah project based on the

² See LGIA for DPT1 Project, Appendix A §§2(A), 14.

second alternative condition of the Commission's October 29, 2010 order – the approval by the CPUC of SCE's construction of the full build-out of the project, which SCE characterizes as including the second circuit of the transmission line and the third transformer bank at Ivanpah substation. The ISO takes no position whether the condition of the Commission's October 29, 2010 order specifying approval by the CPUC is an appropriate basis for the Commission to grant SCE guaranteed recovery of any costs of abandoned plant for the second circuit of the transmission line and the third transformer bank at Ivanpah substation. The ISO simply points out that any confirmation by the Commission at this time of recovery of abandoned plant costs and other rate incentives for the second circuit of the transmission line and the third transformer bank at Ivanpah substation would be in advance of the ISO's approval of those elements of SCE's project through identification of those elements as needed network upgrades in executed LGIAs, the condition proposed by the ISO for this guarantee of cost recovery.

In conjunction with these comments, the ISO wishes to reiterate its comment included in its August 24, 2010 filing that it considers the Eldorado-Ivanpah project to be among those transmission facilities that are important to accommodate the delivery of energy from renewable and other resources to enable the state to meet a 33% Renewable Portfolio Standard goal.

The ISO requests that the Commission take the foregoing comments into consideration in issuing its order on SCE's filing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 31st day of May, 2011, at Folsom, California.

Anna Pascuzzo
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