

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

NextEra Energy Transmission West, LLC

Docket No. ER15-2239-000

**MOTION FOR LEAVE TO SUBMIT ANSWER TO COMMENTS AND  
PROTESTS AND ANSWER OF  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) respectfully submits this motion for leave to answer and answer<sup>1</sup> to certain protests submitted in this proceeding.

**I. BACKGROUND**

On July 22, 2015, NextEra Energy Transmission West, LLC (“NEET West”) submitted a request for (1) approval of certain incentive rate treatments for its investments in the Suncrest and Estrella projects, and (2) acceptance of its initial Transmission Owner Tariff (“TO Tariff”). As indicated in NEET West’s filing, the CAISO selected NEET West as the approved project sponsor for the Suncrest and Estrella projects pursuant to the CAISO’s competitive solicitation process, as set forth in Section 24.5 of the CAISO tariff. The CAISO submitted a motion to intervene and comments in this proceeding on August 12, 2015. Several intervenors protested NEET West’s filing.

**II. MOTION FOR LEAVE TO ANSWER PROTESTS**

The CAISO respectfully requests authorization to respond to the protests filed by the Transmission Agency of Northern California (“TANC”) and the Cities of Anaheim,

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<sup>1</sup> The CAISO submits this motion and answer pursuant to Rules 212 and 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213 (2014).

Azusa, Banning, Colton, Pasadena, and Riverside (“Six Cities”) that describe the CAISO’s role in selecting NEET West as the project sponsor for the Suncrest and Estrella projects, particularly with regard to NEET West’s return on equity. Notwithstanding Rule 213(a)(2),<sup>2</sup> the Commission has accepted answers to protests that assist the Commission’s understanding and resolution of the issues raised in the protest,<sup>3</sup> clarify matters under consideration,<sup>4</sup> or materially aid the Commission’s disposition of a matter.<sup>5</sup> The CAISO’s answer will clarify matters under consideration, aid the Commission’s understanding and resolution of the issues, and help the Commission to achieve a more accurate and complete record.<sup>6</sup> In particular, the CAISO’s answer will clear up some misunderstandings reflected in TANC’s and Six Cities’ protests. Accordingly, the Commission should accept this Answer.

### **III. ANSWER**

TANC and Six Cities object to NEET West’s proposed return on equity, including the return on equity incentive. They state that the fact NEET West assumed a particular return on equity in its project sponsor application submitted to the CAISO should not result in the Commission simply rubber stamping those assumptions without further scrutiny.<sup>7</sup> They argue that NEET West is essentially asking the Commission to cede ratemaking authority to the CAISO.<sup>8</sup> Six Cities assert that the “Commission should not approve an incentive return on equity simply because the CAISO and a Project Sponsor

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<sup>2</sup> 18 C.F.R. § 385.213(a)(2) (2014).

<sup>3</sup> *Sw. Power Pool, Inc.*, 89 FERC ¶ 61,284 at 61,888 (1999).

<sup>4</sup> *Ariz. Pub. Serv. Co.*, 82 FERC 61,132 (1998); *Tenn. Gas Pipeline Co.*, 82 FERC 61,045 (1998).

<sup>5</sup> *El Paso Natural Gas Co.*, 82 FERC 61,052 (1998).

<sup>6</sup> *No. Border Pipeline Co.*, 81 FERC 61,402 (1997); *Hopkinton LNG Corp.*, 81 FERC 61,291 (1997).

have 'struck a bargain' during the course of transmission planning activities.<sup>9</sup> Finally, TANC and Six Cities argue that the Commission should not be bound by a CAISO analysis of costs or assumptions made during the bid process.<sup>10</sup>

Contrary to TANC's and Six Cities' claims, the CAISO did not strike any deal with NEET West and has not determined or negotiated the just and reasonable return on equity for NEET West. Such rates are solely subject to Commission approval. The CAISO in no way has sought to supersede the Commission's ratemaking authority.

#### **IV. CONCLUSION**

For the reasons set forth herein, the Commission should accept the CAISO's Answer to Protests.

Respectfully submitted,

**By: /s/ Anthony J. Ivancovich**

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<sup>7</sup> Six Cities Protest at 5.

<sup>8</sup> Six Cities Protest at 5. TANC Protest at 13-14.

<sup>9</sup> Six Cities Protest at 5.

<sup>10</sup> Six Cities Protest at 5. TANC Protest at 13-14

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each party listed on the official service list for this proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010 (2013)).

Dated at Folsom on this 27<sup>th</sup> day of August, 2015.

*/s/ Anna Pascuzzo*

Anna Pascuzzo