BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U902E) for a Certificate of Public Convenience and Necessity for the South Orange County Reliability Enhancement Project.	Application 12-05-020 (Filed May 18, 2012)

OPENING COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION ON THE REVISED PROPOSED DECISION AND REVISED ALTERNATE PROPOSED DECISION

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Anna McKenna
Assistant General Counsel
Jordan Pinjuv
Counsel
California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel.: (916) 351-4429
Fax: (916) 608-7222
jpinjuv@caiso.com

Attorneys for the California Independent System Operator Corporation

December 5, 2016

TABLE OF CONTENTS

I. Introduction 1

II. Discussion 4

A. The South Orange County 138 kV System will be in Violation of NERC Transmission Planning Standards if the Commission Denies the SDG&E's Request for a CPCN. 4

B. The Revised Proposed Decision Undermines the use of the CEC's Demand Forecast. 7

C. NERC Transmission Planning Standards Apply to the South Orange County 138 kV System. 9

D. CAISO Planning Standards Are Binding on the CAISO and SDG&E. 11

III. Conclusion 12

ATTACHMENT 1 i

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U902E) for a Certificate of Public Convenience and Necessity for the South Orange County Reliability Enhancement Project.	Application 12-05-020 (Filed May 18, 2012)

OPENING COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION ON THE REVISED PROPOSED DECISION AND REVISED ALTERNATE PROPOSED DECISION

I. Introduction

Pursuant to the Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) files these comments on the Revised Proposed Decision of Administrative Law Judge Farrar (Revised Proposed Decision) and the Revised Alternate Proposed Decision of President Michael Picker (Revised Alternate Proposed Decision) issued on November 14, 2016. The Commission should reject the Revised Proposed Decision and adopt the Revised Alternate Proposed Decision's recommendation to grant San Diego Gas & Electric Company's (SDG&E) application for a certificate of public convenience and necessity (CPCN) for the South Orange County Reliability Enhancement Project (SOCRE Project).

The Revised Proposed Decision erroneously concludes that no project is necessary to address the numerous reliability issues in the South Orange County 138 kV transmission system based on the assertion that none of the identified reliability issues violate the North American Electric Reliability Corporation (NERC) mandatory planning standards. In making this determination, the Revised Proposed Decision accepts that reliability issues will persist, but somehow believes it is prudent to do nothing to address those issues. Doing nothing is an unacceptable and imprudent result that ignores clear reliability problems.

The Revised Proposed Decision incorrectly concludes that CAISO-identified reliability issues are not NERC mandatory standard violations. In addition, the Revised Proposed Decision is inconsistent with the Commission's obligation to provide safe and reliable electric service because it would put South Orange County at significant risk of load loss under numerous

contingency combinations. Because the Project is needed to meet clear reliability needs, if the Commission denies SDG&E the requested CPCN, the CAISO will have to explore alternative solutions in its transmission planning process to ensure future reliability, and any feasible alternative solutions likely would be significantly more costly and intrusive than the project. But, the CAISO cannot simply do nothing.

As discussed below, the Revised Proposed Decision's conclusion that no project is necessary to address the electric reliability issues in South Orange County is based on numerous factual errors, omissions, and erroneous conclusions of law. Critical errors and omissions include:

- **Failing to address 26 thermal overloads that occur under Category C contingencies in the South Orange County 138 kV system** – These thermal overloads form the primary basis for the need for the SOCRE Project.[1] Each of these overloads results in a loss of non-consequential load that cannot be addressed by a special protection system (SPS) under CAISO Planning Standards. The Revised Proposed Decision does not address these violations.
- **Erroneously assuming without any supporting evidence that each of 57 thermal overloads identified during a maintenance outage results solely in consequential load loss** – The Revised Proposed Decision concludes that no project is necessary based on the assertion each of the overloads identified under maintenance conditions at Talega Substation results in consequential load loss. The Revised Proposed Decision cites no evidence for this assertion, which is clearly inaccurate. Of the 57 events that would result in uncontrolled interruption of service, 42 would result in non-consequential load loss, meaning that firm load would be lost in order to keep the transmission system from experiencing overloads.
- **Undermining the Commission's accepted practice of using the California Energy Commission (CEC) Demand Forecast as the basis for determining load growth** – The Revised Proposed Decision makes confusing statements regarding the use of the CEC Demand Forecast as the basis for transmission

[1] Exhibit CAISO-502, p. 3-4. ("The primary driver for the SOCRE project was the exceedance of applicable ratings during multiple Category C contingencies under Planning Standard TPL-003.")

planning solutions. The Commission should clarify that the CEC Demand Forecast is the appropriate tool to use for long-term demand forecasts.

- **Determining that the South Orange County 138 kilovolt system is not part of the Bulk Electric System (BES)** – The Revised Proposed Decision goes to great length to claim that the South Orange County 138 kV system is not BES, although it later determines that NERC's transmission planning standards apply regardless of this conclusion. The South Orange County 138 kV system is part of the BES because (1) it transfers bulk power across the interconnected CAISO grid, (2) provides critical reactive power support to voltage and transfer capability in the Southern Orange County and the San Diego import transmission systems, and (3) NERC has not excluded it from the BES. Furthermore, it is outside of the Commission's jurisdiction to unilaterally exclude the South Orange County system from the BES. In any event, this incorrect conclusion does not affect the outcome of this proceeding, because (as acknowledged by the Revised Proposed Decision) the NERC transmission planning standards apply to all elements under CAISO operational control.
- **Undermining the CAISO Planning Standards** – The Revised Proposed Decision seems to conclude that the South Orange County system is out of compliance with the CAISO Planning Standard that limits load loss to 250 MW under a single Category B (now Category P2) contingency, but that this determination does not support a need for a project because SDG&E and the CAISO need not comply with the CAISO Planning Standards. This assertion is irrelevant to the outcome of this proceeding, as no party has asserted that the CAISO Planning Standard discussed is determinative in this case. Although the assertion is irrelevant to the outcome, the finding undermines the CAISO Planning Standards by incorrectly assuming that those standards are not binding on the CAISO.

The CAISO addresses each of these errors and omissions in the comments below.

II. Discussion

A. The South Orange County 138 kV System will be in Violation of NERC Transmission Planning Standards if the Commission Denies the SDG&E's Request for a CPCN.

The Revised Proposed Decision finds that no project is necessary to address identified reliability issues in South Orange County because "any load loss during the single contingency maintenance outage scenarios at Talega (described in Exhibit CAISO-502 at 6) is a direct consequence of the faulted element (consequential load loss), and is therefore acceptable under the current NERC standard TPL-001-4, under footnote b on Page 8."[2] This key premise does not support the finding that no project is necessary because: (1) the single contingency events that occur during maintenance outage scenarios result in non-consequential load loss; (2) it ignores 26 thermal overloads that occur during Category C contingencies without any maintenance outages at Talega Substation, all of which result in non-consequential load loss; and (3) it does not address additional thermal overloads under Category C contingencies during maintenance outages.

1. The Revised Proposed Decision Ignores the Primary Purpose of the SOCRE Project.

The primary purpose of the SOCRE Project is to address 26 CAISO-identified thermal overloads under 13 distinct Category C (now Category P6) contingency events.[3] The CAISO has consistently stressed and noted this purpose since the CAISO approved the SOCRE Project in the 2010-2011 transmission plan.[4] The identified thermal overloads are observed with the assumption that all transmission elements are in service prior to the contingency events (*i.e.*, no maintenance outages are in effect). The Revised Proposed Decision ignores the Category C thermal overloads in its analysis, instead focusing its analysis on a very limited set of maintenance outage scenarios. Failure to address the primary driver of need for the project constitutes an undeniable and significant factual error.

---

[2] Proposed Decision, p. 29.

[3] Exhibit CAISO-500, p. 9 ("the primary driver for the SOCRE project was the exceedance of applicable ratings during multiple Category C contingencies under TPL-003.")

[4] *See* Exhibit CAISO-500, p. 9; Exhibit CAISO-502, p. 4-5 ("With respect to NERC planning criterion TPL-003, the CAISO identified various South Orange County transmission facilities with thermal overloads in the event of Category C contingencies, despite the lower load demand forecast in the updated analysis.), CAISO Opening Brief, p. 4 ("the CAISO identified numerous Category C contingencies that resulted in exceedance of applicable ratings in the South Orange County area within the ten-year planning horizon.").

The Revised Proposed Decision correctly notes that NERC TPL-001-4 at 8, footnote b, allows consequential load loss as consequence of any event outside of normal system conditions.[5] "Consequential load loss" is further defined as "the load that is directly served by the elements that are removed from service as a result of the contingency."[6] Non-consequential load loss is load that must be shed to avoid exceeding Applicable Ratings of equipment in service after the contingency event occurs. Each of the 26 Category C thermal overloads identified in the CAISO's analysis results in the loss of non-consequential load. This is evidenced by the CAISO's analysis, which shows the 26 thermal overloads that occur as a result of the N-1-1 contingencies.[7] There is no consequential load loss in any of these Category C contingencies, but the underlying South Orange County 138 kV facilities are thermally overloaded in excess of their Applicable Ratings.[8] These thermal overloads require non-consequential load loss to bring the transmission facilities within Applicable Ratings (*i.e.*, the CAISO must drop load in order to reduce the loading on the otherwise overloaded transmission element to avoid compromising the facility.) The CAISO's analysis identified 26 thermal overloads on eight distinct transmission elements based on 13 Category C contingency events. The CAISO cannot use an SPS to mitigate these concerns because the CAISO Planning Standards state that an SPS should not monitor more than six contingencies or four system elements.[9] This standard exists because the reliability of an SPS functioning as intended declines significantly as the design complexity increases. An SPS to address the South Orange County concerns would be well in excess of the CAISO Planning Standards, which are mandatory based on the CAISO tariff.[10]

2. The Revised Proposed Decision Incorrectly finds that All Load Loss Caused by Contingencies during Maintenance Outages is Consequential.

With no evidentiary basis, the Revised Proposed Decision finds that any load loss during the single contingency maintenance outage scenarios at Talega (described in Exhibit CAISO-502 at 6) is a direct consequence of the faulted element and therefore constitutes consequential load

[5] Revised Proposed Decision, p. 28.
[6] Exhibit SDG&E 2.2, p. 47-48, quoting FERC Order 693.
[7] Exhibit CAISO-502, Appendix A, p. 10-12.
[8] Id.
[9] Exhibit ORA-227, p. 10 (See ISO SPS6).
[10] CAISO Tariff, Section 24.2(a) and Section 24.4.6.2. These requirements are discussed in more detail in Section II.D of these comments.

loss."[11] This finding is factually incorrect as the CAISO testimony showed non-consequential load loss occurring for numerous single contingency maintenance outage scenarios at Talega. The fact that there is clear undisputed evidence in the record of non-consequential load loss for single contingency maintenance outage scenarios at Talega Substation completely invalidates the Revised Proposed Decision's rationale for the No Project Alternative. In testimony, the CAISO specifically noted four Category B single contingency events under maintenance outages, which would result in non-consequential load loss and violations of the NERC standards:

> The existing system does not provide adequate windows for maintenance or planned construction activities without risking area blackout or non-consequential loss of load under four Category B contingencies. This is a violation of the NERC TPL-002 planning standard that does not allow non-consequential load service interruption under Category B contingencies.[12]

In two scenarios, the Category B contingencies cause excessive overloads on the 69/138 kV equipment that connects San Luis Rey and Talega Substations that must be mitigated by an SPS which results in the non-consequential load loss of all load in South Orange County.[13] In the remaining two Category B contingency scenarios, the CAISO must drop non-consequential load to ensure that the loads remain within remaining load serving capability, which is reduced to 195 MW.[14] Dropping non-consequential load in these circumstances would violate NERC TPL-001-4, which does not allow dropping non-consequential load after a single contingency.

In addition to the four single contingency maintenance outage events discussed above, there are 53 Category C CAISO-identified reliability issues during maintenance events, 38 of which would result in non-consequential load loss. The CAISO delineated between "Type 1" events, which would drop all load in South Orange County, and "Type 2" events, which would reduce "load serving capability" to 195 MW.[15] All 28 of the Type 2 events result in non-consequential load loss. During each of the Type 2 events, the remaining system facilities in service could only provide load serving capability up to 195 MW, or about 40% of area peak load, to keep facilities within emergency ratings.[16] All Type 2 events would require the CAISO to drop load not directly served by the element removed from service. Instead, the CAISO will

[11] Revised Proposed Decision, p. 29.
[12] Exhibit CAISO-502, p. 9.
[13] Exhibit CAISO-502, p. 6 (*See* Table 2, Contingencies Type1-B1 and Type1-B2).
[14] Exhibit CAISO-502, p. 6 (*See* Table 2, Contingencies Type2-B1 and Type2-B2
[15] Exhibit CAISO-502, p. 6.
[16] Exhibit CAISO-502, p. 6.

need to drop load to avoid exceeding Applicable Ratings on other equipment.

A subset of the Type 1 events during maintenance outages also result in non-consequential load loss in violation of NERC standards. It is true that the entire South Orange County 138 kV load will be dropped as a consequence of losing an element from service in 15 Type 1 cases that implicate 138 kV bus maintenance at Talega Substation. However, in the remaining 14 Type 1 cases that involve 230 kV bus maintenance at Talega Substation, an SPS will be required to drop the entire South Orange County load as non-consequential load loss after the contingency in order to avoid exceeding applicable ratings on the 69/138 kV facilities that still connect the South Orange County system to San Luis Rey.[17]

This clearly shows that a host of reliability issues will occur if the Commission does not approve the SOCRE Project. These reliability concerns include violations of the NERC transmission planning standards, the CAISO Planning Standards, and good utility practice. If the CAISO was found to be out of compliance with NERC standards, the violations would likely be considered "severe" and could result in penalties of up to $1 million per day per violation.[18] Failure to address these issues will put South Orange County customers at an unacceptable risk of load loss, which will continue to increase as load grows in the area. The do-nothing option recommended in the Revised Proposed Decision is not a valid option under these circumstances.

B. The Revised Proposed Decision Undermines the use of the CEC's Demand Forecast.

The Revised Proposed Decision accurately states that "[i]t is accepted practice to utilize load forecasts prepared by the [CEC] as the basis of demand analysis."[19] Despite this statement, the Revised Proposed Decision seems to undercut the use of the CEC's demand forecast by finding that "[d]emand forecasts do not demonstrate need for a project in South Orange County."[20] The Revised Proposed Decision does not explicitly indicate which "demand forecasts" do not demonstrate a need for the project. Although demand forecasts are an input assumption into the power flow modeling conducted to identify reliability issues, they do not independently determine need for a particular project. Rather, need is identified by considering a host of factors, including demand forecasts, system topology, resource capability and other

[17] Exhibit CAISO-503, p. 3.
[18] Exhibit ORA-227, p. 18.
[19] Revised Proposed Decision, p. 22.
[20] Revised Proposed Decision, p. 30.

relevant factors to determine whether the system is capable of meeting requirements under a range of credible conditions.[21]

In the present proceeding, only the CAISO and SDG&E presented power flow analyses of the South Orange County system. Both analyses showed significant reliability issues, despite slight differences in the demand forecasts. The CAISO used the CEC's 1-in-10 year peak forecast, consistent with the Commission's practice and CAISO Planning Standards.[22] The Revised Proposed Decision appears to call into question the use of the CEC's demand forecast by stating that unidentified "[d]emand forecasts do not demonstrate a need for a project,"[23] while simultaneously ignoring all reliability issues identified based on the CEC forecast.

In part, this rejection appears to be based on intervenor arguments that CEC demand forecast is unreliable because recent actual observed peak load in South Orange County has been less than the CEC's forecast peak load.[24] However, the CEC's 1-in-10 year peak forecast represents potential loading conditions during a 1-in-10 year peak weather event and should not be expected to occur yearly. The CAISO uses the 1-in-10 year peak weather demand forecast to ensure that the transmission system is capable of meeting such extreme weather events. The fact that previous years did not reach the forecast level is not relevant because, by definition, one would expect a 1-in-10 peak year weather event to be a relatively infrequent event.

The Revised Proposed Decision's confusing discussion of the demand forecast is another reason to reject it. The Alternate Proposed Decision contains similar language that should be modified to (1) re-affirm the Commission's commitment to use the CEC's 1-in-10 year demand forecast as the basis of reliability planning and (2) remove any extraneous and irrelevant discussion regarding demand forecasts demonstrating a need for a project. The CAISO has included recommended modifications in Attachment 1 to these comments. These modifications provide important clarification regarding the use of CEC demand forecast, but the CAISO notes that the Revised Alternate Proposed Decision is correct that load growth is not the primary driver for the SOCRE Project. The project is needed to address pressing reliability concerns that exist in the South Orange County system today, which will only be exacerbated by additional load growth.

---

[21] NERC TPL-001-4, p. 3.
[22] D.14-03-004 at 24.
[23] Revised Proposed Decision, p. 30, Finding of Fact No. 1.
[24] Revised Proposed Decision, p. 22, fn. 28.

C. NERC Transmission Planning Standards Apply to the South Orange County 138 kV System.

The Revised Proposed Decision incorrectly asserts that NERC transmission planning standards may not apply to (or may not be mandatory for) the South Orange County system because it is not part of the BES.[25] The Commission should reject this assertion because (1) the South Orange County network is in fact part of the BES, (2) the Commission does not have jurisdiction to determine whether the South Orange County is part of the BES, and (3) NERC transmission planning standards apply to all facilities under CAISO operational control, regardless of whether those facilities are BES.

1. The South Orange County 138 kV System is not a Local Network.

The Revised Proposed Decision asserts that NERC reliability standards may not apply to the South Orange County system because it is a "local network" that should be excluded from application of some or all NERC planning requirements applicable to the bulk electric system. Exclusion E3 describes a "local network" as "[a] group of contiguous transmission Elements operated at less than 300 kV that distribute power to Load rather than transfer bulk power across the interconnected system."[26] At first glance and without close examination or understanding of the NERC requirements and the CAISO system, this description might appear to include systems like the South Orange County 138 kV system; however, this is not a correct application of Exclusion E3 based on a complete understanding of the South Orange County system.

The South Orange County 138 kV system is interconnected to the rest of the CAISO controlled grid through not only the 230/138 kV facilities at Talega but also the 69 kV facilities from San Luis Rey to Talega, which is parallel to the South of San Onofre Nuclear Generating Station (SONGS) transfer path into San Diego.[27] Furthermore, the South Orange County 138 kV system provides reactive support required to support San Diego import transmission, which is identified as an Interconnection Reliability Operating Limit (IROL) due to the post-transient voltage instability concern in the SDG&E and LA Basin areas after the SONGS retirement.[28] A

[25] Revised Proposed Decision, p. 29. Though the Revised Proposed Decision accepts that the "SOC system is under the CAISO's control and by extension the CAISO's planning standards which apply the NERC TPL-001-4 standard" it later notes that "there would be no violation of NERC standards, even if the standards were mandatory in this situation."
[26] Exhibit CAISO-503, p 3.
[27] Exhibit CAISO-503, p. 3.
[28] Id.

100 MVAR STATCOM (Dynamic Reactive Power Device) is located at the 138 kV Talega bus, and a 40 MVAR shunt capacitor (Static Reactive Power Device) is located at Capistrano 138 kV bus.[29] Pursuant to NERC's Inclusion I5 to the BES definition, both of these devices are BES elements because they support voltages and transfer capability on the 138 and 230 kV systems.[30] The Revised Proposed Decision relies on FRONTLINES' interpretation of the NERC standards to assert that the reactive power devices are included in the BES, but that the network linking these devices to the BES is not.[31] This interpretation is not logical, as there would be no reason to treat the reactive power devices as BES if they could not actually provide reactive power to the BES due to their location within a local network.

This means that the South Orange County 138 kV system is not a "local network" and should not be excluded from the BES because it transfers bulk power across the interconnected CAISO grid and provides critical reactive power support to voltage and transfer capability in the Southern Orange County and the San Diego import transmission systems.[32]

2. The Commission Cannot Unilaterally Designate the South Orange County System as a Local Network.

The Federal Energy Regulatory Commission (FERC) approves the NERC standards, and they are binding on the CAISO as a Planning Coordinator. If the CAISO fails to plan the system according to NERC standards, the CAISO is at risk of non-compliance. Stakeholders had every opportunity to challenge the CAISO's application of the NERC standards to the South Orange County system in the CAISO's transmission planning process. If a stakeholder disagrees with CAISO's application of the NERC standards to particular facilities, they can challenge that designation at FERC. FERC adopted the standards, and has the ultimate authority to enforce them.

For example, FERC issued a recent decision considering whether certain Southern California Edison Company facilities should be excluded from the bulk-electric system because they constituted a local network area is instructive in this case. In that decision, FERC noted:

> there may be some rare instances that present a factual question as to whether a facility that remains in the bulk electric system after applying the "core" definition and the four exclusions should nonetheless be excluded because it is

[29] Id.
[30] Id., p. 3-4.
[31] Revised Proposed Decision, p. 26.
[32] Exhibit CAISO-503, p. 3.

> used in local distribution. [FERC] determined that, in such instances, [FERC] itself should resolve the factual question of whether the facilities are used in local distribution. Thus, entities must apply to [FERC] for a determination of whether an element is used in local distribution. Further, [FERC] concluded that it would make jurisdictional determinations on a case-by-case basis and would apply the seven factor test as set forth in Order No. 888 to make such determinations.[33]

Consistent with that decision, to the extent that there is a factual question regarding the applicability of the NERC standards here, the proper forum to address the question is at FERC. The Commission cannot unilaterally decide that the South Orange County system is not part of the BES.

3. NERC Transmission Planning Standards Are Applicable to All Facilities Under CAISO Operational Control.

Whether the South Orange County facilities are classified as BES or a local network, all facilities under CAISO operational control are subject to the NERC transmission planning standards. In that regard, CAISO Planning Standards require the CAISO to apply NERC TPL standards to "facilities with voltages less than 100 kV or otherwise not covered under the NERC Bulk Electric System definition that have been turned over to the [CA]ISO operational control."[34] The South Orange County 138 kV system has been turned over to the CAISO's operational control; therefore, the CAISO must apply the NERC transmission planning standards to it.

D. CAISO Planning Standards Are Binding on the CAISO and SDG&E.

The Revised Proposed Decision also suggests that the CAISO Planning Standards are not binding requirements on SDG&E or CAISO.[35] This is incorrect. The CAISO tariff requires the CAISO, in coordination with participating transmission owners such as SDG&E, to maintain reliability of the CAISO Controlled Grid in compliance with CAISO Planning Standards.[36] The CAISO must comply with the CAISO Planning Standards, as evidenced by complaints filed at FERC by entities alleging non-compliance.[37]

---

[33] 153 FERC ¶ 61,384, Order on Local Distribution Determination (December 31, 2015).
[34] Exhibit ORA-227, p. 4.
[35] Revised Proposed Decision, p. 31, Conclusion of Law No. 2.
[36] CAISO Tariff, Section 24.2(a) and Section 24.4.6.2.
[37] *See* Transmission Tech. Sols., LLC & W. Grid Dev., LLC, 135 FERC ¶ 61077, 61489 (Apr. 27, 2011). Complaint filed against the CAISO for claimed failure to follow Section II.4 of the CAISO Planning Standards. FERC made an affirmative determination that the CAISO acted within the provisions of the CAISO Planning Standards.

III. Conclusion

For the foregoing reasons, the CAISO recommends that the Commission adopt the Revised Alternate Proposed Decision and grant SDG&E's request for a CPCN for the SOCRE Project.

Respectfully submitted

By: /s/ Jordan Pinjuv

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Anna McKenna
Assistant General Counsel
Jordan Pinjuv
Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel.: (916) 351-4429
Fax: (916) 608-7222
jpinjuv@caiso.com

Attorneys for the California Independent
System Operator Corporation

December 5, 2016

ATTACHMENT 1

CAISO Recommended Modifications to the Revised Alternate Proposed Decision

Page 7:

It is accepted practice to utilize load forecasts prepared by the California Energy Commission as the basis of demand analysis. With the time that has elapsed since the genesis of this proceeding and its completion, the record is clear that ~~SDG&E's~~ projected load growth in SOC ~~that may have initially driven this project in 2012~~ has not materialized **as forecasted by the California Energy Commission**. ~~Therefore, w~~**W**e find that **load growth is not the driver for the project** ~~no project is necessary to accommodate the projected load growth over the ten year forecast period~~ (Scoping Memo Issue 1.e.). We do not reach the question of the specific ten-year projected load growth (Scoping Issue 1.d.) because we determine that there is a need for a project because SDG&E must meet NERC, WECC, and CAISO standards which will not be met by the No Project Alternative, and therefore a public convenience and necessity for actions that will address these requirements exists (Scoping Issue 1.c.). In Section 7 (Infeasibility), we address arguments about whether the proposed project or alternatives best meet these reliability requirements.

Findings of Fact:

~~1. Demand forecasts do not demonstrate need for a project in South Orange County.~~