

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U338E) for Approval of the  
Results of Its 2013 Local Capacity  
Requirements Request for Offers for the  
Moorpark Sub-Area.

Application 14-11-016  
(Filed November 26, 2014)

**COMMENTS OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
ON THE PROPOSED AND ALTERNATE PROPOSED DECISIONS**

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Pursuant to the Rule 14.3 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits these comments in response to the *Proposed and Alternate Proposed Decision Approving, in Part, Results of Southern California Edison Company (SCE) Local Capacity Requirements Request for Offers for Moorpark Sub-Area Pursuant to Decision 13-02-015* (the Proposed Decisions).

**I. Introduction**

Both the Proposed and Alternate Proposed Decisions place a hold on Commission review of the 262 megawatt (MW) resource adequacy (RA) purchase agreement with NRG Energy Center Oxnard, LLC for a new simple cycle peaking facility known as the Puente Power Project (Puente Project). The Proposed Decision also does not approve the 54 MW ten-year contract for refurbishment of the Ellwood power plant (Ellwood Project). The Alternate Proposed Decision approves the Ellwood Project. The CAISO recommends that the Commission approve both the Puente Project and the Ellwood Project to address known local capacity requirements in the Moorpark sub-area. To the extent that the Puente Project is delayed or rejected, there is increased risk that the identified local capacity need will not be addressed in time to meet the once-through-cooling retirement schedule for the facilities in the Moorpark sub-area. With respect to the Ellwood Project, the CAISO has assumed the Ellwood plant to be operational in the CAISO's local reliability studies. If the unit does not continue to operate, the CAISO-identified need will increase by 54 MW.

**II. Discussion**

**A. The Puente Project**

As demonstrated in the CAISO's testimony in this proceeding, the full suite of resources selected in SCE's Moorpark sub-area request for offers (RFO) is necessary, but not sufficient, to

meet identified local capacity requirements in the Moorpark sub-area.<sup>1</sup> When combined with 87 MW of additional achievable energy efficiency, the 274 MW of resources selected in the RFO can meet the local capacity requirements.<sup>2</sup> The Puente Project provides 262 MW of the total capacity selected in the RFO. If the Puente Project is delayed or rejected, it will increase the possibility that there will be insufficient resources to meet local capacity requirements when generation facilities in the Moorpark sub-area retire at the end of 2020, in accordance with the State Water Resource Control Board's once-through-cooling regulations.<sup>3</sup>

The Proposed Decisions delay final review of the Puente Project until after the California Energy Commission (CEC) completes its environmental review.<sup>4</sup> The CAISO does not believe that this delay is warranted, given the clearly identified local capacity need and the Proposed Decisions' finding that reliability risk from flood, sea-rise, and tsunami is low. However, if the Commission does choose to delay review, it is important that Commission act quickly once the CEC decision is final.

In delaying review, both Proposed Decisions note that the "the length of the delay will be measured in months, and [will] not affect the parties' ability to provide reliable power to the Moorpark sub area in advance of 2021."<sup>5</sup> Based on the current schedule, it appears that a final CEC decision is not expected until mid-2017. This provides a relatively short amount of time between the CEC decision and the time the plant needs to be in service to meet local reliability requirements in 2021. If the Commission chooses to delay its final decision on the Puente Project, its decision should clarify that additional hearings, testimony and argument will not be necessary after receiving the CEC environmental review. Opening up this proceeding for additional hearings could significantly delay the review process, seriously jeopardizing compliance with the once-through-cooling regulations. The Commission process after receipt of the CEC decision should be swift to ensure that parties have sufficient time to react accordingly to meet local reliability needs.

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<sup>1</sup> Prepared Direct Testimony of Neil Millar on behalf of the CAISO, p. 4:23-25.

<sup>2</sup> Id.

<sup>3</sup> See the State Water Resource Control Board's once-through-cooling regulations item 26: ([http://www.swrcb.ca.gov/water\\_issues/programs/ocean/cwa316/docs/policy100110.pdf](http://www.swrcb.ca.gov/water_issues/programs/ocean/cwa316/docs/policy100110.pdf)).

<sup>4</sup> Proposed Decisions, p. 8.

<sup>5</sup> Proposed Decisions, p. 9.

## **B. The Ellwood Project**

The Commission should adopt Commissioner Florio's Alternate Proposed Decision because it approves the Ellwood Project. Both decisions properly recognize that the Ellwood Project was included as an existing, operational plant in the CAISO's studies of local capacity requirements.<sup>6</sup> If the Ellwood power plant retires or is unavailable in the future, it will increase local capacity requirements in the Moorpark sub-area on a MW-for-MW basis. In a location such as Moorpark, which already faces significant reliability issues due to the impending retirement of large amounts of local generation from Ormond Beach and Mandalay power plants, the Commission should take this opportunity to ensure that an existing local capacity resource will be available and reliable when it is needed.

## **III. Conclusion**

The Commission should modify the Proposed Decisions to approve the Puente Project. If the Commission delays review of the Puente Project, the Commission should clarify the process for review following the CEC's decision and ensure that the Commission's final review will occur as swiftly as possible. The Commission should approve the Ellwood Project contract consistent with the Alternate Proposed Decision.

Respectfully submitted

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<sup>6</sup> Proposed Decisions, p. 22.