

**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)

**NOTICE OF EX PARTE COMMUNICATIONS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

In accordance with Rule 8.4 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby gives notice of the following ex parte communications in the above proceeding.

On Monday, February 22, 2016, at 3:30 p.m. in the Commission's offices in Sacramento, Keith Casey, Vice President, Market and Infrastructure Development, and Neil Millar, Executive Director of Infrastructure Development for the CAISO met with President Michael Picker; Nick Chaset, Chief of Staff; and Christine Hammond, Advisor to President Picker. Also present were Dave Geier, Vice President – Electric Transmission; Dan Skopec, Vice President – California Regulatory; and Will Speer, Director of Electric System Planning, for San Diego Gas & Electric Company (SDG&E). The meeting was initiated by the CAISO and SDG&E to discuss the status of the proceeding and the South Orange County Reliability Enhancement (SOCRE) transmission project. The communication was oral and written (attached) and lasted approximately 20 minutes, which was divided evenly between the CAISO and SDG&E.

During the meeting, the CAISO explained the processes used in its 2010 and 2011 transmission plan that resulted in CAISO Board of Governor approval for the SOCRE project in May 2011. In addition, the CAISO explained its concerns with alternatives proposed during the course of this proceeding, in particular, the CAISO's concerns regarding those alternatives that could negatively impact transfer capability on the 230 kilovolt transmission system between San Diego and the Los Angeles Basin. The CAISO provided the written materials included as Attachment A to this ex parte notice.

On February 25, 2016, Jordan Pinjuv, Counsel for the CAISO, sent a follow-up email, included as Attachment B to the ex parte notice. The email provides record and brief references for the CAISO's review of project alternatives in this proceeding.

Respectfully submitted

By: /s/ Jordan Pinjuv

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February 25, 2016

Attachment A



South Orange County Reliability Enhancement (SOCRE) Project

February 22, 2016

SOCRE Project need was assessed in the 2010-2011 ISO Transmission Planning Process.

February 12, 2010 - Study assumptions were discussed with stakeholders at the public meeting.

September 10, 2010 - Results posted for review.

October 26 and 27, 2010 - Results presented to stakeholders public meeting.

May 18, 2011 - CAISO Board approves SOCRE.

May 18, 2012 - CPCN Application filed with CPUC.

February 19, 2015 - DEIR issued with alternatives that were not identified and reviewed in the ISO planning

August 10, 2015 - RDEIR issued with new alternatives, also not not identified and reviewed in the ISO planning process.

SOCRE project is needed to meet the mandatory reliability planning standards

- SOCRE mitigates all of the following issues identified by the CAISO
 - 26 contingency overloads within the planning horizon
 - 7 contingency overloads in the near term
 - 29 contingencies resulting in loss of service to all south Orange County load during maintenance conditions in the near term
- SOCRE also removes the dependency on a single substation to supply all off the power to South Orange County, and effectively exploits the maintenance-related need to rebuild the Capistrano substation to improve area reliability.

SOCRE Project Scope primarily consists of:

- Replacing an existing 8 mile 138 kV transmission line with a new 230 kV double-circuit line between Capistrano and Talega substations in south Orange County in existing right of way or underground
- Replacing the Capistrano 138 kV substation which is at the end of its life with a new 230 kV and 138 kV gas insulated substation on the existing substation property

Alternatives do not mitigate all of the problems or create new problems

- Upgrading the 138 kV network costs almost as much as SOCRE and does not address the reliability problems during maintenance conditions.
- Other options connecting the south Orange County system to the SCE 230 kV system reduces the ability to transfer power between the Los Angeles Basin and San Diego areas.
- None of the alternatives have had the benefit of comprehensive study and consultation through the ISO's transmission planning process to ensure system reliability

Attachment B

From: Pinjuv, Jordan

Sent: Thursday, February 25, 2016 12:34 PM

To: 'NLC@cpuc.ca.gov' <NLC@cpuc.ca.gov>; 'CJH@cpuc.ca.gov' <CJH@cpuc.ca.gov>

Subject: SOCRE Project Follow-up Request

Nick and Christine,

As promised, below are citations to the record where the CAISO has addressed the feasibility of alternatives to the SOCRE Project and limitations on transfer capability that would result from the interconnection of the SCE and SDG&E transmission systems. If you have any questions, feel free to contact me.

The CAISO's Opening and Reply Briefs provide an overview of alternatives and implications of connecting the SCE-SDG&E 230 kV systems. The briefs also contain detailed citations to record evidence presented by the CAISO on these issues. See the following:

- Opening Brief: pp. 8-19;
- Reply Brief: pp. 5-11.

CAISO Testimony regarding feasibility of project alternatives with accompanying results of power flow analyses:

- Exhibit CAISO-502 (Sparks Opening Testimony-Addressing DEIR Alternatives A-G): pp. 11-21; Appendix A, pp. 12-32;
- Exhibit CAISO-504 (Sparks Rebuttal Testimony-Addressing ORA, SJC and Frontlines Alternatives): pp. 2-12;
- Exhibit CAISO-505 (Sparks Supplemental Rebuttal Testimony-Addressing RDEIR Alternative J): pp. 1-7; Appendix A, pp. 8-11;
- Reporter's Transcript (Addressing ORA Trabuco Alternative): p. 341, lines 3-24; p. 343, lines 7-17;

CAISO Testimony regarding transfer capability under alternatives that connect the SCE and SDG&E 230 kV transmission systems:

- Reporter's Transcript (Addressing historical 2400 MW transfer capability between the SCE-SDG&E 230 kV systems): p. 323, lines 5-7;
- Reporter's Transcript (Addressing Alternative J related overloads with only 1470 MW of transfer between the SCE-SDG&E 230 kV systems): p. 338, lines 2-15;
- Exhibit CAISO-500 (Millar Opening Testimony): pp. 11-12;
- Exhibit CAISO-502 (Sparks Opening Testimony): pp. 16-19;
- Exhibit CAISO-505 (Sparks Supplemental Testimony): p. 4; Appendix A, p. 8;
- Reporter's Transcript: p. 336, lines 23-26; p. 340, lines 1-7;
- Exhibit FRONTLINES-436 (CAISO response to Frontlines data request): CAISO answer to Question 5.

We will be filing a copy of this email as an ex parte communication later today.

Thanks,

Jordan Pinjuv
Counsel

Legal and Regulatory



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