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

| | | |
|---|---|---|
| **California Wind Energy Association** | ) | |
| **and** | ) | |
| **First Solar, Inc.** | ) | |
| | ) | |
| **Complainants,** | ) | |
| | ) | |
| **v.** | ) | **Docket No. EL14-14-000** |
| | ) | |
| **California Independent System** | ) | |
| **Operator Corporation,** | ) | |
| **and** | ) | |
| **Southern California Edison Company** | ) | |
| | ) | |
| **Respondents** | ) | |

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO COMPLAINT OF CALIFORNIA WIND ENERGY ASSOCIATION AND FIRST SOLAR, INC.**

The California Independent System Operator Corporation ("ISO") submits its answer to the complaint of California Wind Energy Association ("CalWEA") and First Solar, Inc. ("First Solar") (collectively "Complainants"), filed on December 16, 2013. Complainants ask the Commission to prohibit the ISO from relinquishing operational control of certain facilities on the Antelope - Bailey 66 kV system owned by Southern California Edison ("Edison").[1] Edison recently completed a milestone in an ISO-approved reliability project resulting in the reconfiguration of the Antelope - Bailey 66 kV system from a looped system integrated with the ISO controlled grid to three separate radial systems. In light of the reconfiguration, Edison, pursuant to the terms of the ISO's Transmission Control Agreement, requested that the ISO relinquish operational control

[1] The complaint refers to the Antelope - Bailey system as the "Antelope Valley" system. The two terms are interchangeable.

of the Antelope - Bailey 66 kV facilities from the ISO to Edison. Because Edison met the requirements for such a transfer, and the ISO does not require operational control of the facilities, the ISO relinquished operational control of them on December 15, 2013. Complainants now seek to challenge that decision, yet fail to meet their burden of proof to show that the ISO's decision to relinquish control was contrary to the ISO tariff, the Transmission Control Agreement or Commission precedent. Therefore, the Commission should dismiss the complaint.

## I. INTRODUCTION AND SUMMARY OF ARGUMENT

As part of its 2010 transmission plan, the ISO accepted Edison's proposal to reconfigure Edison's 66 kV system in the vicinity of the Antelope and Bailey substations from a looped system that is fully integrated with the ISO controlled grid to three distinct radial systems.[2] Approximately four months prior to the implementation of this reconfiguration, Edison requested that the ISO relinquish operational control over the Antelope - Bailey facilities that would no longer be integrated with the ISO controlled grid after the reconfiguration was completed. The ISO evaluated this request under its Transmission Control Agreement, which dictates when the ISO may relinquish operational control over "any transmission lines and associated facilities" that constitute a part of the ISO controlled grid.[3] Under that agreement, the ISO may relinquish operational control over particular facilities if, after consulting with the transmission

[2] Further details regarding the reconfiguration of the Antelope - Bailey 66kV system are set forth in Section II (Background) of this answer, as well as in the declaration of Ms. Deborah A. Le Vine, included as Attachment A to this answer. In addition, diagrams prepared by Edison showing the pre- and post-reconfiguration arrangements of the Antelope - Bailey 66kV system are included as attachments C and D to this answer.

[3] *See Amended and Restated* Transmission Control Agreement, Section 4.7.1. A current copy of the Transmission Control Agreement is available on the ISO website at: http://www.caiso.com/rules/Pages/ContractsAgreements/Default.aspx.

owner, it "determines that it no longer requires to exercise Operational Control over the facilities to meet its Balancing Authority Area responsibilities." Furthermore, the facilities must fall into one of three categories. The relevant category here is whether the ISO determines that the facilities constitute lines and facilities which, "by reason of changes in the configuration of the CAISO Controlled Grid, should be classified as 'local distribution' facilities in accordance with FERC's applicable technical and functional test, *or should otherwise be excluded from facilities subject to CAISO Operational Control consistent with FERC established criteria.*"[4] After evaluating Edison's proposal, the ISO determined that it no longer required operational control over these facilities and that they should be excluded from ISO operational control consistent with the pertinent FERC criteria.

Prior to relinquishing operational control, as required by the Transmission Control Agreement, the ISO gave interested parties at least 45 days to submit any objections to the proposed relinquishment. After considering the submitted objections and discussing them with interested parties, the ISO determined that it was appropriate to relinquish operational control of the radial Antelope - Bailey 66 kV facilities. The relinquishment took effect on December 15, 2013.[5]

Complainants argue that the ISO's decision to relinquish operational control of these facilities to Edison did not comply with the Transmission Control Agreement.

---

[4] ISO Transmission Control Agreement, Section 4.7.1. (emphasis added). The other two categories of facilities that the ISO may relinquish operational control over, which are not relevant here, are directly assignable radial lines and associated facilities interconnecting generators and facilities which are to be retired from service.

[5] If the ISO cannot satisfactorily resolve objections, the Transmission Control Agreement gives any party the option to refer any disputes to the ISO's alternative dispute resolution process, pursuant to Section 13 of the ISO Tariff. Alternatively, the ISO may apply to the Commission for approval of the proposal. Transmission Control Agreement, Section 4.7.2.

However, Complainants fail to meet their burden[6] of demonstrating that the ISO's decision did not comply with the Transmission Control Agreement, the ISO tariff, or applicable Commission precedent:

- Complainants' argument that the ISO's decision to relinquish control of the facilities was deficient because the ISO did not perform a "study" of the possible impacts erroneously assumes that a study is required. The Transmission Control Agreement only requires that the ISO "determine" that it does not require operational control of facilities to meet its balancing authority area responsibilities. This is precisely what the ISO's experts did when they assessed the potential impact to the ISO's balancing authority area of Edison's request. Complainants provide no evidence to contradict the ISO's determination.
- Complainants' hypotheses regarding the potential impact of the reconfiguration of the Antelope - Bailey 66 kV system on the reliability of the ISO controlled grid and the efficiency of the ISO's markets are irrelevant. First, the only relevant impacts at issue are those relating to the ISO's decision to relinquish operational control of the applicable facilities, not those relating to the reconfiguration itself, which was approved in the ISO's transmission plan nearly four years ago. Thus, the only relevant criterion is whether such relinquishment would undermine the ISO's ability to meet its balancing authority requirements. Complainants have failed to demonstrate that operational control of the facilities is required for the ISO to meet its balancing authority requirements.

[6] Under Commission precedent, Complainants bear the burden of proving that the ISO acted contrary to its tariff. *See, e.g., Black Oak Energy, LLC v. New York Independent System Operator, Inc.*, 122 FERC ¶ 61,261, at P 31 (2008); *MMC Energy, Inc. v. California Independent System Operator Corp.*, 123 FERC ¶ 61,251, at P 77 (2008); *Astoria Generating Company, L.P. v. New York Independent System Operator Inc.*, 140 FERC ¶ 61,179, at P 27 (2012).

- Contrary to complainants' assertion, the ISO did not, and need not, find that the applicable facilities are "local distribution" facilities to reach its determination. Under the Transmission Control Agreement, finding that facilities should be classified as "local distribution" due to configuration changes is only one alternative that permits relinquishment. The ISO may also relinquish operational control if it concludes that the facilities "should otherwise be excluded from the facilities subject to ISO operational control consistent with FERC established criteria."[7] Applying applicable FERC criteria to the Antelope - Bailey 66 kV system, it is clear that the facilities -- post reconfiguration -- are not integrated with the ISO controlled grid and that, therefore, they are appropriately excluded from ISO operational control.
- Complainants' arguments that the ISO deviated from the procedures set forth in the Transmission Control Agreement are also incorrect. The ISO provided the required notice and an opportunity to submit objections, and it sought to resolve the objections it received. At that point, any party could have sought alternative dispute resolution. Neither Complainants nor any other party impacted by the ISO's action did so. Nor is there any requirement that the ISO seek Commission approval of its relinquishment decision if there are objections. Rather, the Transmission Control Agreement provides that the ISO "may" seek FERC approval, *i.e*. such a filing is at the ISO's discretion.
- Contrary to Complainants contention, the ISO's determination that it no longer requires operational control of the applicable facilities will not dictate the outcome

[7] Transmission Control Agreement, Section 4.7.2.

of interconnection reimbursement issues. The ISO's relinquishment does not automatically result in the reclassification of these facilities to distribution facilities. Therefore, such issues are beyond the scope of this complaint, and should be addressed in proceedings regarding the specific generators and their individual interconnection agreements.

For these reasons, the Commission should dismiss the Complaint.

## II. FACTUAL BACKGROUND

Prior to reconfiguration, the Antelope - Bailey 66 kV system was comprised of a number of looped 66 kV facilities that connected to higher voltage portions of the ISO controlled grid at the Antelope and Bailey substations.[8] As described in more detail in the declaration of Ms. Deborah A. Le Vine, the ISO's Director of Infrastructure Contracts & Management, during the development of its 2010 transmission plan, the ISO identified reliability problems associated with the Antelope - Bailey 66kV system. In response, Edison proposed, and the ISO accepted for inclusion in the 2010 transmission plan, the East Kern Wind Resources Area ("EKWRA") project.[9] The EKWRA project involved a reconfiguration of the Antelope - Bailey 66 kV system and included construction of a 66 kV bus and two 220/66 kV transformer banks at a new Windhub substation that Edison was constructing (which were not to be under ISO operational control when energized), line rearrangement work, and separation of lines and facilities through new switching

[8] *See* Attachment C (showing the pre-EKWRA configuration of the Antelope - Bailey 66 kV system).

[9] Although the ISO identified three alternatives to address the reliability issues on the Antelope - Bailey system, Edison provided the ISO with an analysis that demonstrated that two of these alternatives would not resolve the reliability problems. Therefore, the ISO approved Edison's EKWRA project for inclusion in the 2010 transmission plan. Declaration of Deborah A. Le Vine, Attachment A ("Le Vine Dec.") at PP 8-9.

and breaker schemes. Most notably, the reconfiguration would open breakers at four locations, eliminating parallel connections between the Antelope and Bailey substations and leaving as the only connection between the two a single 66kV line that was to remain under ISO operational control. The result of this reconfiguration is to change the Antelope - Bailey 66kV system from a looped system integrated with the ISO controlled grid into three distinct radial 66 kV subsystems originating from the Antelope, Bailey and Windhub substations, with only the single transmission line between the Antelope and Bailey substations continuing to operate in parallel with other portions of the ISO controlled grid.[10]

In the public stakeholder process relating to the ISO's 2010 transmission plan, the ISO stated that the reconfiguration of the Antelope - Bailey system might result in the ISO relinquishing operational control of certain portions of that system.[11] In addition, the ISO included in the interconnection study report for complainant First Solar a statement expressly indicating that "portions of the existing Antelope - Bailey 66 kV system . . . may operationally change" from ISO to Edison control.[12]

On August 26, 2013, Edison sent a letter to the ISO notifying it of the expected completion of the portions of the EKWRA project that reconfigured the facilities and requested that the ISO begin the procedure to relinquish operational control of the portions of the Antelope - Bailey system that would become radial in nature after the

---

[10] *See* Attachment D (showing the post-EKWRA configuration of the Antelope - Bailey system). The three distinct radial subsystems created as a result of the reconfiguration are color-coded on this diagram as green (Antelope), purple (Bailey) and blue (Windhub). The 66kV line between the Antelope and Bailey substations, and the substations themselves, all of which remain under ISO operational control, are shown in red.

[11] *See* Le Vine Dec. at P 11.

[12] *Id*. at P 12.

reconfiguration was complete. In a meeting held shortly thereafter, Edison presented the rationale to ISO staff for why it believed relinquishment was appropriate, including an explanation of relevant Commission criteria that demonstrated that the facilities would not be integrated with the ISO controlled grid after the reconfiguration of the Antelope - Bailey system.[13]

Consistent with Section 4.7 of the Transmission Control Agreement, the ISO assessed the potential impact of relinquishing operational control over these facilities, and determined that relinquishment was appropriate because: (1) the ISO did not need the facilities to meet its balancing authority area responsibilities, and (2) the ISO determined that the facilities, following the reconfiguration, were not integrated with the ISO controlled grid consistent with Edison's analysis of applicable FERC precedent. Accordingly, the ISO concluded that it could appropriately relinquish operational control over the facilities. The ISO issued a market notice on September 13, 2013, stating its intent to release the facilities that would become radial after the EKWRA reconfiguration from ISO operational control as of the date of the completion of the EKWRA reconfiguration milestone – December 15, 2013.[14] Per Section 4.7.2 of the Transmission Control Agreement, the notice gave interested parties 45 days to submit written objections to the proposed removal of the facilities from the ISO's operational control.[15]

---

13 *Id.* at P 15.

14 *Id*. at P 24.

15 *Id*.

The ISO received timely objections from the Large-Scale Solar Association; Brookfield Renewable Energy Group, CalWEA and First Solar, and Silverado Power.[16] The ISO conducted a meeting to discuss these objections with interested parties on November 25, 2013. At that meeting, the ISO explained its conclusion that it was appropriate to relinquish control of these facilities under the Transmission Control Agreement. The ISO, Edison, and interested parties discussed the appropriateness of the ISO's determination and issues relating to the potential consequences of relinquishing operational control.[17]

After considering the written comments and the discussions that took place at the November 25 meeting, the ISO determined that none of the objections provided a basis for the ISO to decline to relinquish operational control of the Antelope - Bailey facilities, either because they did not present a compelling reason for the ISO to maintain operational control under the terms of the Transmission Control Agreement, or they involved issues unrelated to that determination. Accordingly, the ISO concluded that it would relinquish operational control of the Antelope - Bailey facilities to Edison on December 15, 2013, and notified interested parties of this decision.[18]

---

[16] *Id*. at P 25.

[17] *Id.* at P 26. For instance, several representatives of generator developers expressed concerns regarding the potential for the reclassification of the facilities from transmission to distribution, and the impact such a reclassification might have on the ability of generators to recover costs incurred to fund interconnection-related upgrades.

[18] *Id.* at P 27.

## III. ANSWER

### A. The ISO's Decision To Relinquish Operational Control of the EKWRA Facilities Complies with the Requirements of the Transmission Control Agreement.

Section 4.7.1 of the Transmission Control Agreement states that the ISO may relinquish operational control of facilities if, after consulting with the applicable transmission owner, the ISO "determines that it no longer requires to exercise Operational Control over them in order to meet its Balancing Authority Area responsibilities."[19] In addition, the facilities must fall into one of three categories. The second of these categories, relevant here, is that the ISO determine that the facilities constitute "lines and associated facilities which, by reason of changes in the configuration of the CAISO Controlled Grid, should be classified as 'local distribution' facilities in accordance with FERC's applicable technical and functional test, *or* should otherwise be excluded from the facilities subject to CAISO Operational Control consistent with FERC established criteria."[20]

#### 1. The ISO Does Not Require Operational Control of the Antelope - Bailey Facilities To Meet Its Balancing Authority Area Responsibilities.

Under the first prong of the Transmission Control Agreement's test the ISO must assess whether it would be in jeopardy of violating any NERC reliability requirements applicable to balancing authorities if the facilities were no longer under its operational control. Complainants allege that the ISO did not satisfy this criteria with respect to the Antelope - Bailey facilities because the ISO "has performed no study" of the impacts of

---

[19] Transmission Control Agreement, Section 4.7.1.

[20] *Id*. (emphasis added).

relinquishing these facilities on its balancing authority area responsibilities.[21] This argument is without merit. The Transmission Control Agreement does not require that the ISO perform a "study." It only requires that the ISO *determine* that it no longer requires operational control over the applicable facilities in order to meet its balancing authority area responsibilities. From its review of Edison's proposal, including meetings held with Edison, the ISO had the factual information it needed to assess whether relinquishment of operational control would interfere with the ISO's ability to meet its balancing authority area responsibilities.[22]

Based on this information, and experience with evaluating similar proposals, ISO personnel responsible for reliably operating the grid considered the potential impacts of relinquishing operational control of the Antelope - Bailey facilities, and determined that doing so would have no adverse impact on the ISO's balancing authority area responsibilities.[23] The ISO also considered the comments submitted by interested parties on this issue, and concluded that none of those comments undermined its determination. The supporting declaration of Mr. Gregory Tillitson, the ISO's Director of Real-Time Operations, explains that the ISO's primary resource for meeting applicable balancing authority area standards is the operating reserves that it obtains through various ancillary services products.[24] The relinquishment of operational control over the Antelope - Bailey facilities will not in any way undermine the ISO's ability to procure and

---

21 Complaint at 17.

22 Le Vine Dec at P 15.

23 *Id*. As Ms. Le Vine explains, the ISO evaluated a similar proposal to re-configure the Devers - Mirage system in a radial fashion and determined that such a configuration would not adversely impact the ISO's balancing authority area responsibilities. *Id*. at P 20.

24 Declaration of Gregory Tillitson, Attachment B ("Tillitson Dec.") at P 5.

maintain sufficient reserves to meet the relevant NERC balancing authority area criteria, including ancillary services provided from certified resources interconnected to the non-ISO controlled grid.[25] In addition, as explained by Ms. Le Vine, configurations similar to the rearranged Antelope - Bailey system exist in other areas of the grid, where the ISO maintains operational control over the step-up transformers linking the higher voltage ISO controlled grid with lower voltage facilities, the substation including circuit breakers, as well as the lower voltage lines with parallel path flows, and the transmission owner operates the portion of the lower voltage lines that are radial to the ISO controlled grid.[26] The ISO has never needed to assert operational control over these lower-voltage radial assets in order to meet its balancing authority area responsibilities.[27] Likewise, there is no reason to believe that the ISO would require operational control over the portions of the Antelope - Bailey 66kV system that operate radially to the ISO controlled grid in order to meet its balancing authority area obligations.[28]

Complainants hypothesize that the ISO may not be able to meet certain balancing authority area standards because generators interconnected to the radial Antelope - Bailey facilities comprise part of the "pool of generation" that the ISO relies on to meet their operating criteria.[29] This supposition is incorrect in two respects. First, as Mr. Tillitson explains, because most of the resources interconnected to the Antelope - Bailey system are non-dispatchable intermittent wind and solar resources, they would

---

25 *Id*. at P 6.

26 Le Vine Dec. at P 18.

27 *Id*.

28 *Id*. at P 19.

29 Complaint at 17.

not be certified by the ISO to provide ancillary services in the first place.[30] Therefore, such resources would not be considered in the "pool of generation" that the ISO would rely on to meet its balancing authority area obligations. Second, even if some of these generators did meet the requirements to provide ancillary services, the ISO's relinquishment of operational control over these facilities does not prevent these generators from offering those products into the ISO markets and being dispatched as needed by the ISO.[31] Relinquishment of operational control does not change the fact that resources will still be ISO participating generators that are able to participate in the ISO markets.[32]

Complainants also raise issues that have no bearing on the Transmission Control Agreement requirements. For instance, Complainants speculate that the radial reconfiguration of the Antelope - Bailey 66kV system may impair the reliability and market efficiency of the ISO's system, and allege that the ISO's decision to relinquish control over these facilities is deficient because it appears that the ISO has not evaluated these issues.[33] The *reconfiguration* of the Antelope - Bailey 66 kV system, however, is irrelevant. The decision to approve this reconfiguration was made as part of the ISO's 2010 transmission planning process.[34] To the extent that Complainants had

---

30 Tillitson Dec at P 6.

31 *Id*. at P 7.

32 *See, e.g*., ISO Tariff Sections 4.6. (requiring that all generators within the ISO balancing authority area enter into a Participating Generator Agreement in order to participate in ISO markets); 4.6.1 (requiring all Participating Generators to operate their facilities in accordance with the relevant terms of the ISO tariff); 4.6.3.1 (stating that the ISO will coordinate with utility distribution companies to avoid conflicting operational directives).

33 Complaint at 18-20.

34 Le Vine Dec. at PP 6-10.

concerns about the reconfiguration, they should have been raised as part of that process. The only relevant issue now is whether the ISO properly *relinquished operational control* of the reconfigured system. It would be inappropriate to allow Complainants to use this proceeding as a vehicle to attack the ISO's decision to approve the EKWRA reconfiguration nearly four years after that decision was made.

Complainants' concerns regarding reliability and market efficiency impacts are also misplaced. The criterion for relinquishment under the Transmission Control Agreement is whether operational control of the facilities is necessary for the ISO to meet its balancing authority area responsibilities. Issues relating to general reliability or market efficiency are not relevant to that determination. Even so, Complainants' assertions regarding reliability and market efficiency are substantively incorrect as well. The ISO evaluated the reconfiguration of the Antelope - Bailey 66kV system in its assessment of the EKWRA project as part of the development of the 2010 transmission plan.[35] In fact, the ISO approved the reconfiguration specifically to *eliminate* reliability concerns that the ISO had identified with respect to the previous parallel configuration.[36] Nor will the ISO's relinquishment of operational control over the Antelope - Bailey facilities have an adverse impact on market efficiency. The resources interconnected to these facilities will still be ISO participating generators, and therefore no less eligible to participate in the ISO's markets through schedules and bids than resources interconnected directly to ISO-controlled facilities.[37]

---

35 Le Vine Dec at PP 7-9.

36 *Id*. at P 6.

37 Tillitson Dec at P 7; *see supra* note 32.

Finally, Complainants' allegations regarding Edison's curtailment practices[38] are also entirely unrelated to whether the ISO's determination to relinquish operational control of the Antelope - Bailey facilities complied with the Transmission Control Agreement.

For these reasons, Complainants have failed to meet their burden of demonstrating that the ISO was in any way deficient in its determination that it does not require operational control of the Antelope - Bailey facilities to meet its balancing authority area requirements.

### 2. The ISO Reasonably Concluded that the Antelope - Bailey 66 kV System Is Not Integrated with the ISO Controlled Grid and Should Thus Be Excluded from ISO Operational Control.

The second prong of the test for relinquishment of operational control is whether the facilities fall into one of three categories described in Section 4.7.1 of the Transmission Control Agreement. For purposes of the Antelope - Bailey facilities, the relevant category is facilities that, due to changes in the configuration of the ISO controlled grid, the ISO determines "should be classified as 'local distribution' facilities in accordance with FERC's applicable technical and functional test, or should otherwise be excluded from facilities subject to CAISO Operational Control consistent with FERC established criteria."[39] Under this prong, the ISO determined that the Antelope - Bailey facilities should otherwise be excluded from operational control consistent with "FERC established criteria." Under these circumstances, the applicable "FERC established criteria" are those addressing the integration of facilities with the ISO controlled grid. Thus, in the case of the Antelope - Bailey facilities, if they are not integrated with the

---

[38] Complaint at 20.

[39] Transmission Control Agreement, Section 4.7.

ISO controlled grid, then the costs of those facilities cannot be rolled into ISO rates, and they cannot be placed under ISO operational control.[40]

The Commission has, in two prior proceedings, articulated the appropriate analysis for determining whether portions of Edison's 66 kV system are integrated with the ISO controlled grid.[41] In *Cabazon* and *Whitewater*, the Commission ruled that it would determine whether such facilities are integrated with the ISO controlled grid under the five factor test it established in *Mansfield Municipal Electric Dept*. *v. New England Power Co.* ("*Mansfield*")[42]:

> 1. Whether the facilities are radial, or whether they loop back into the transmission system;
>
> 2. Whether energy flows only in one direction, from the transmission system to the customer over the facilities, or in both directions, from the transmission system to the customer, and from the customer to the transmission system;
>
> 3. Whether the transmission provider is able to provide transmission service to itself or other transmission customers . . . over the facilities in question;
>
> 4. Whether the facilities provide benefits to the transmission grid in terms of capability or reliability, and whether the facilities can be relied on for coordinated operation of the grid; and[,]
>
> 5. Whether an outage on the facilities would affect the transmission system.[43]

---

[40] The question of whether the Antelope - Bailey facilities are integrated with the ISO controlled grid is distinct from the question of whether those facilities might be considered sufficiently integrated with respect to other Edison facilities on the radial portions of the Antelope - Bailey 66 kV system for purposes of determining whether those costs should be directly assigned to individual generators or rolled into Edison's rates. This latter issue, however, is not relevant to the propriety of the ISO's decision to relinquish operational control of the Antelope - Bailey facilities based on integration with the ISO controlled grid.

[41] *Cabazon Wind Partners, LLC, v. So. Cal. Edison Co.*, 117 FERC ¶ 61,212 (2006) ("*Cabazon*"); Opinion No. 487, *So. Cal. Edison Co.*, 117 FERC ¶ 61,103 (2006) ("*Whitewater*").

[42] 97 FERC 61,134 (2001).

[43] *Mansfield,* 97 FERC 61,134 at 61,613-14.

Based on the application of the *Mansfield* factors to the present situation, the ISO reasonably concluded, as a result of the EKWRA reconfiguration, that the majority of the Antelope - Bailey 66 kV system is not integrated with the ISO controlled grid.[44] First, as discussed above, with the exception of the single 66 kV transmission line between the Antelope and Bailey substations, the Antelope - Bailey system, post-reconfiguration, comprises three distinct radial subsystems that do not operate in parallel with the ISO controlled grid.[45] The only facilities remaining in parallel are those associated with a single 66 kV connection between the Bailey and Antelope substations, including the substations themselves, and these facilities remain under ISO operational control.[46] Although Complainants point out that these systems can become looped if certain breakers are closed, as in the case of an emergency, the determinative factor is that these breakers are open during normal operations. As the Commission pointed out in the *Whitewater* decision, "an occasional loop flow does not compel the conclusion that a facility is integrated with the transmission network."[47]

---

[44] Complainants contend that the Transmission Control Agreement does not include an integration test, such as *Mansfield*. The only rationale that Complainants offer is the argument that applying these tests to the Transmission Control Agreement would be inconsistent with the filed rate because the Transmission Control Agreement predates *Mansfield*. Complaint at 26, n.48. This argument is specious. The applicable language in the Transmission Control Agreement is whether facilities should be excluded from ISO operational control "consistent with FERC established criteria." It is axiomatic that FERC established criteria can change over time, and therefore, this provision in fact requires the ISO to apply the most recent relevant FERC criteria. As such, there is no filed rate doctrine issue with respect to the ISO's reliance on the *Mansfield* integration criteria.

[45] *See* Le Vine Dec at P 7; Attachment D.

[46] *Id*.

[47] *See Whitewater* at P 87 (noting that the relevant facilities were "normally operated with the breakers open, preventing loop flows to the integrated grid.").

Second, for the purpose of the *Mansfield* test, energy on the Antelope - Bailey radial facilities will flow predominately in one direction -- inward to load. Only in unusual circumstances, when generation in the radial systems exceeds load, will energy flow outward to the grid. In addressing similar circumstances in *Whitewater*, the Commission concluded that limited bidirectional flows over a facility do not constitute a basis for concluding that the facility is integrated. The Commission explained that the relevant question is "whether the transmission provider *relies* on that bidirectional flow to serve its own load or the load of its other transmission customers."[48] As in *Whitewater*, the ISO will not *rely* on any bidirectional flows over the radial Antelope - Bailey 66 kV facilities to serve loads outside of the Antelope - Bailey system, as it expects the majority of flows on those systems to be towards interconnected load. Therefore, these facilities are not integrated for purposes of the second *Mansfield* factor.

With respect to the third *Mansfield* factor, the ISO cannot provide service to other customers on the ISO controlled grid using the Antelope - Bailey radial subsystems. As a result of the changes to the Antelope - Bailey 66 kV system the benefits to customers that the radial subsystems provide are limited to Edison's customers connected to those subsystems.[49] Therefore, per *Whitewater*, these facilities do not qualify as integrated

---

[48] Whitewater at P 91 (emphasis added).

[49] The pre-reconfiguration facilities are considered "sub-transmission" facilities subject to the ISO's Local Access Charge component of the ISO's Transmission Access Charge. The Participating Transmission Owner determines the Local Access Charge and its customers are solely responsible for these costs. In contrast, costs associated with the high voltage or regional transmission system under ISO operational control are paid for through the Regional Access Charge by all ISO customers that use the ISO controlled grid. *See* Schedule 3 of Appendix F to the ISO tariff.

with the ISO controlled grid under the third *Mansfield* factor.[50] This also addresses the fourth *Mansfield* factor insofar as the reconfigured portions of the Antelope - Bailey 66 kV system do not provide "benefits to the [ISO controlled grid] in terms of capability or reliability" and cannot "be relied on for coordinated operation of the grid" because they are radial to the ISO controlled grid.

Finally, with respect to the fifth *Mansfield* factor, transmission outages on one of the radial portions of the Antelope - Bailey 66 kV system would not affect operation of the ISO controlled grid. The reconfigured 66 kV facilities will be connected to the ISO controlled grid in a radial fashion at a single point; therefore, an outage on one of these systems would not impact the ISO controlled grid.[51] As with the facilities in *Whitewater*, the only load affected by such an outage would be the load served by the radial systems.[52] The ISO controlled grid would, under such circumstances, continue to operate across the facilities that remain in parallel with it, consistent with the underpinning reliability objectives. Moreover, if there were an outage on one of these systems Edison would communicate such outage to the generators so that the generator can make informed decisions with respect to bidding in the ISO markets.

---

50 *See Whitewater* at P 97 (noting that the applicable facility did not satisfy the *Mansfield* third factor for assessing integration because "any capacity benefit [the facility] might have provided . . . accrues to SCE's customers on that line, not to the integrated transmission grid" and that the ISO "cannot provide transmission service to other transmission customers over that line.")

51 Tillitson Dec. at P 10.

52 *See Whitewater* at P 105.

Although Complainants on a number of occasions assert that the ISO determined that the Antelope - Bailey facilities comprised distribution facilities,[53] the ISO made no such finding and no such finding played a role in the ISO's determination whether to relinquish operational control. While the ISO stated that it "has not identified a compelling technical reason to object to [Edison's] assertion that the facilities should thereafter be classified as "local distribution," and stated further that "the ramifications of a change in facility classification are beyond the scope of the ISO review under the Transmission Control Agreement,"[54] the ISO did not need to conclude that the Antelope - Bailey facilities were distribution facilities in order to relinquish operational control of them. Instead, the ISO only needed to determine that the facilities should be "excluded from facilities subject to CAISO Operational Control consistent with FERC established criteria." As discussed above, the ISO made a reasonable determination that the reconfiguration of the Antelope - Bailey 66 kV system results in the majority of the Antelope - Bailey facilities no longer being integrated with the ISO controlled grid. This was the same conclusion reached by Edison in the evaluation presented to the ISO with its request that the ISO relinquish operational control. Therefore, pursuant to Section 4.7.1 of the Transmission Control Agreement, the ISO reasonably determined that these facilities should be excluded from the facilities subject to its operational control consistent with "FERC established criteria" regardless of their classification.

---

[53] Complaint at 3, 21.

[54] *See* Letter from Keith E. Casey to Kevin Payne regarding release of operational control of Antelope and Bailey 66 kV systems, dated November 26, 2013. This letter is available on the ISO's website at http://www.caiso.com/Documents/EastKernWindResourceAreaFacilitiestobeRemovedFromISOOperationalControlDec15_2013Letter.pdf.

### B. The ISO Followed the Required Procedures in the Transmission Control Agreement in Relinquishing Operational Control of the Antelope - Bailey Facilities

Under Section 4.7.2 of the Transmission Control Agreement, prior to relinquishing operational control of facilities, the ISO shall inform the public of its intention to do so and of the basis for its determination pursuant to Section 4.7.1. The ISO shall also "give interested parties not less than 45 days within which to submit written objections" to the proposed relinquishment. As discussed above, the ISO provided public notice of its intention to relinquish control of the Antelope - Bailey 66 kV system as required by the Transmission Control Agreement, and the basis for its determination.[55] It received objections and considered them.[56] None of these objections altered the ISO's conclusion that the applicable requirements for relinquishing operational control had been satisfied.

Complainants nevertheless contend that the ISO failed to seek Commission approval, "as the [Transmission Control Agreement] contemplates."[57] There is no such requirement. Rather, the Transmission Control Agreement provides the *option* for the ISO to seek Commission approval. Specifically, Section 4.7.2 provides that, "[i]f the CAISO cannot resolve any timely objections" to the parties' satisfaction such parties, including the ISO, "*may*" invoke the ISO's ADR Procedures, or "[a]lternatively, the CAISO *may* apply to FERC for its approval of the CAISO's proposal."[58] The use of the

---

55 Le Vine Dec. at P 24.

56 *Id*. at PP 25-27.

57 Complaint at 15.

58 Transmission Control Agreement, Section 4.7.2 (emphasis added).

term “may” demonstrates that submitting the matter to the Commission is optional. In any event, this is a moot point, because the matter is now before the Commission.

### C. The ISO’s Relinquishment of Control of the Antelope - Bailey Facilities Does Not Dictate the Outcome of Interconnection Reimbursement Issues, and the Commission Should Decline To Address Those Issues Here

Complainants argue that the ISO and Edison are attempting to unilaterally reclassify facilities under existing interconnection agreements from network to distribution, and that doing so will allow the ISO to deny interconnection customers refunds for network upgrades to which they are entitled under their interconnection agreements.[59] This argument is without merit.

The only inherent consequence that the ISO’s relinquishment of control of the Antelope - Bailey facilities will have on the interconnection rights of generators connected to those facilities is that interconnection service will no longer be provided by the ISO. It is axiomatic that if the ISO does not have operational control over the facilities to which a generator is interconnected, the ISO cannot provide interconnection service to that generator. This outcome is consistent with the ISO’s tariff, which states that the ISO’s interconnection process and agreements apply only to interconnections to the ISO controlled grid.[60] The ISO tariff also includes procedures for changes in ISO operational control which make clear that when a generator’s point of interconnection is

---

[59] Complaint at 31-34.

[60] *See* ISO Tariff, Appendix Y, Section 1.1 (“The objective of this GIP is to implement the requirements for both Small and Large Generating Facility interconnections *to the CAISO Controlled Grid*.”) (emphasis added); ISO Tariff, Appendix T (SGIA), Section 1.2.

no longer a part of the ISO controlled grid, interconnection service will be provided by the applicable transmission owner.[61]

Regardless, the fact that the ISO will no longer be providing interconnection service to these generators does not, as Complainants allege, dictate the outcome of reimbursement issues.[62] As discussed above, the ISO decision to relinquish operational control is not based on any finding that the facilities are or should be reclassified as distribution. Therefore, the Commission should decline to address in this proceeding issues regarding the treatment of costs of upgrades associated with generators interconnected to the Antelope - Bailey facilities, including whether such costs are eligible for continued reimbursement by Edison ratepayers. Instead, such issues should be dealt with in proceedings regarding Edison's wholesale interconnection policies, such as those involving Commission review of individual interconnection agreements with generators under Edison's tariff. The ISO's relinquishment of operational control over the Antelope - Bailey facilities in no way prejudices generators' rights to raise arguments in those proceedings regarding the appropriate treatment of costs of interconnection-related upgrades funded by those generators. Also, such proceedings will allow the Commission to consider the specific facts and circumstances of each interconnection customer in determining the

---

61 *See* ISO Tariff, Appendix U, Section 5.2; Appendix Y, Section 13.7 "Change in CAISO Operational Control." Complainants cite to Commission decisions that they contend stand for the principle that transmission providers must "follow the tariff rules in place when the interconnection customers began the interconnection process." Complaint at 33. These decisions are irrelevant to the issues raised in the complaint because they have nothing to do with changes in operational control, and at most, merely address the issue of what version of a transmission provider's tariff should apply. In this case, customers interconnected to the radial Antelope - Bailey facilities are no longer receiving interconnection service under the ISO tariff.

62 *See* Complaint at 31-32.

appropriate treatment of costs, the importance of which the Commission recognized in the *Southern California Edison* decision cited by Complainants.[63]

## IV. ATTACHMENTS

The following documents are attached in support of this Answer:

| | |
|---|---|
| Attachment A | Declaration of Deborah A. Le Vine |
| Attachment B | Declaration of Gregory Tillitson |
| Attachment C | One-Line Diagram of Antelope - Bailey System, Pre-Reconfiguration |
| Attachment D | One-Line Diagram of Antelope - Bailey System, Post-Reconfiguration |

## V. COMMUNICATIONS

All service of pleadings and documents and all communications regarding this proceeding should be addressed to the following:


Sidney Davies
Assistant General Counsel
John Anders
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7296

sdavies@caiso.com
janders@caiso.com@caiso.com

Michael Kunselman
Michael E. Ward
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 239-3300
Fax: (202) 239-3333

michael.kunselman@alston.com
michael.ward@alston.com


[63] 141 FERC ¶ 61,100 at P 30 (2012) (declining to provide an interconnection customer with an exemption from a potential reclassification of network upgrades to distribution upgrades based on a finding that the customer had made a conscious business decision to proceed with the interconnection despite knowing of the potential for reclassification of its point of interconnection).

## VI. CONCLUSION

For the reasons discussed above, the Commission should deny the Complaint.

Respectfully submitted,

***/s/ Sidney M. Davies***


Michael Kunselman
Michael E. Ward
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 239-3300
Fax: (202) 239-3333

Nancy J. Saracino
General Counsel
Roger E. Collanton
Deputy General Counsel
Sidney M. Davies
Assistant General Counsel
John Anders
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7296

Counsel for the
California Independent System
Operator Corporation


Dated: January 17, 2014

# Attachment A

# Declaration of Deborah A. Le Vine

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

| | | |
|---|---|---|
| **California Wind Energy Association** | ) | |
| **and** | ) | |
| **First Solar, Inc.** | ) | |
| | ) | |
| **v.** | ) | **Docket No. EL14-14-000** |
| | ) | |
| **California Independent System Operator Corporation** | ) | |
| **and** | ) | |
| **Southern California Edison Company** | ) | |

## DECLARATION OF DEBORAH A. LE VINE ON BEHALF OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

I, Deborah A. Le Vine, hereby declare as follows:

1. I am employed as the Director of Infrastructure Contracts & Management at the California Independent System Operator Corporation ("ISO"). My business address is 250 Outcropping Way, Folsom, CA 95630.

2. The ISO created the position of Director of Infrastructure Contracts & Management in 2012 as a result of the increased number of generator interconnections required to meet the 33 percent renewable portfolio standard in California, in order to manage the ISO's generation interconnection queue and generation interconnection agreement portfolio, and other regulatory contracts required by the ISO tariff. My responsibilities include proactively monitoring over 260 projects in the queue, aligning internal ISO processes consistent with queue management efforts, and resolving interconnection customer issues. In addition, I am

responsible for all regulatory contracts that are negotiated and executed between the ISO and market participants, including QF conversions, Participating Generator Agreements, Meter Service Agreements, Adjacent Balancing Authority Operating Agreements and the Transmission Control Agreement.

3. I have been employed with the ISO since January of 1998. Prior to assuming my current position, I was the Director of System Operations, in which I oversaw day-to-day grid and market operations. In this capacity, I also monitored compliance for the ISO balancing authority area with North American Electric Reliability Corporation and the Western Electricity Coordinating Council standards and the market operations provisions of the ISO tariff. I have also held Director positions at the ISO in Contracts & Compliance, Contracts & Special Projects, Market Services, and Project Management for the ISO's 2009 market redesign.

4. I earned a Bachelor of Science degree in Electrical Engineering from San Diego State University in San Diego, California in May 1981. In May 1987, I received a Master in Business Administration from Pepperdine University in Malibu, California. In December 2002, I completed an Executive Program from the John F. Kennedy School of Government, Harvard University, in Cambridge, Massachusetts. In August 2007, I completed an Advanced Masters Certificate program in Project Management from Villanova University in Villanova, Pennsylvania. Additionally, I am a registered Professional Electrical Engineer in the State of California.

5. My declaration will address two issues. First, I provide information regarding the initial approval through the ISO's transmission planning process of the East Kern Wind Resource Area ("EKWRA") project, which resulted in the reconfiguration of Southern California Edison's ("Edison's") Antelope - Bailey 66 kV system. Second, I discuss the stakeholder process that the ISO conducted pursuant to the Transmission Control Agreement's requirement that the ISO provide interested parties an opportunity to submit objections to a proposed removal of facilities from ISO operational control.

## I. Approval of the EKWRA Reconfiguration Project in the ISO Transmission Planning Process

6. In its 2009 transmission reliability assessment, Edison identified reliability concerns relating to its Antelope - Bailey 66 kV system, which was at that time under the ISO's operational control.[1] These reliability concerns consisted of possible thermal overloads, voltage collapse and transient voltage dip. The thermal overloads were observed under both heavy summer and light spring conditions following a contingency relating to various transmission lines in the Antelope - Bailey 66kV system. Edison identified voltage collapse and a large transient voltage dip, greater than 20 percent, that would result from a fault on the Antelope - Cal Cement 66 kV, Antelope - Rosamond 66 kV, and Goldtown - Lancaster 66kV transmission lines.

[1] A one-line diagram showing the 2009 configuration of the Antelope - Bailey 66 kV system is attached to this answer as Attachment C. The Antelope and Bailey substations are connected to the ISO controlled grid at multiple voltages. Antelope is connected at 500 kV, 220 kV, and 66 kV, and Bailey is connected at 220 kV and 66 kV.

7. In order to remediate these reliability concerns, Edison proposed to include in the ISO's 2010 transmission plan a project to reconfigure the Antelope - Bailey 66 kV system so as to disconnect the northern area where the existing wind farms and wind parks are located from the southern portion of that system. This reconfiguration is referred to as the EKWRA project. Under EKWRA, the northern portion of the Antelope - Bailey 66 kV system would be served radially from the Windhub substation and the southern portion of that system would be reconfigured as two distinct subsystems operating radially from the Antelope and Bailey substations, respectively. As shown in the one-line diagram of the post-EKWRA configuration of the Antelope - Bailey 66 kV system (Attachment D), the separation between the northern and southern portions of the Antelope - Bailey 66 kV system was accomplished by opening breakers at Gorman on the Gorman - Kern River No. 1 66 kV line, at Cal Cement on the Antelope - Cal Cement and Rosamond - Cal Cement 66 kV lines, at Goldtown on the Rosamond - Goldtown 66 kV line, and at Corum on the Corum tap on the Rosamond - Goldtown 66 kV line.

8. In addition to the EKWRA project proposed by Edison, two other options were initially explored in the ISO's transmission planning process to address the reliability concerns identified on the Antelope - Bailey system. One option involved constructing a new Antelope - Lancaster 66 kV line and implementing a new special protection system ("SPS") to trip generation in order to mitigate thermal overloads and steady state voltage collapse. This option would have also relied on an operating procedure to curtail the local area wind generation to keep the normal condition flows on critical lines below certain calculated limits. Option 2

involved reconductoring the Del Sur - Rite Aid - Lancaster 66 kV line and implementing a new SPS to trip generation under contingency conditions to mitigate spring thermal overloads, voltage collapse and transient voltage dip problems, and trip load to mitigate the heavy summer contingency overloads. This option would also have relied on an operating procedure to curtail the local area wind generation to keep the normal condition flows on critical lines below certain calculated limits.

9. The ISO evaluated both of these alternatives to EKWRA, but determined that they had minimal benefits compared to EKWRA because neither option would resolve transformer overloads or fully remediate the remaining identified system reliability issues on the Antelope - Bailey system. Consequently the ISO's 2010 transmission plan recommended implementing the EKWRA project to resolve these reliability concerns.

10. On March 25, 2010 ISO management briefed the ISO Governing Board on the 2010 transmission plan. Because the EKWRA project resulted in less than $20 million in estimated capital costs for upgrades on the ISO controlled grid, ISO management approved the EKWRA project without needing Board approval.[2] All

[2] The ISO Governing Board is only required to approve projects that have an estimated capital cost of $50 million or more.

transmission projects approved by management were included as Appendix B to the Board memorandum for the March 25 Board meeting.[3]

11. The potential for the EKWRA project to result in the ISO relinquishing operational control of certain facilities on the Antelope - Bailey 66 kV system was communicated during the public stakeholder process associated with the development and approval of the ISO's 2010 transmission plan. For instance, in its matrix of stakeholder comments on the plan, the ISO noted that with respect to additional upgrades needed to Antelope - Bailey "[i]f the upgrades are considered part of CAISO Controlled Grid under the existing configuration, the upgrade cost is refundable according to LGIP provisions on network upgrades until the EKWRA project is completed and in-service and the facilities are determined to be distribution facilities." The ISO also addressed the possibility of a change in operational control of the Antelope - Bailey system during a conference call with stakeholders on the EKWRA reconfiguration held on March 19, 2010.

12. In addition, Appendix A to complainant FirstSolar's Phase II Final Study Report dated July 14, 2010, included the following language:

> "When EKWRA is constructed and energized, portions of the existing Antelope - Bailey 66 kV system, including the existing Del Sur 66 kV Substation, may operationally change from network facilities under CAISO control to SCE distribution facilities. This may also impact the classification

[3] *See* http://www.caiso.com/Documents/100325BriefingonTransmissionPlan-AttachmentB.pdf

of some of the upgrades specifically identified in this study as network upgrades at Del Sur Substation and result in those upgrades ultimately being classified as distribution upgrades."

13. On August 26, 2013, Edison sent a letter notifying the ISO that Edison expected to complete the EKWRA reconfiguration no later than December 15, 2013, and requesting that the ISO begin the process set forth in the Transmission Control Agreement necessary to relinquish operational control to Edison of those 66 kV facilities on the Antelope - Bailey system that, post-reconfiguration, would operate in a radial fashion (referred to herein as the "Antelope - Bailey facilities"). These facilities are color-coded in Attachment D as green, purple and blue. [4] The facilities shown in red are those that would continue to operate in parallel with the ISO controlled grid, and therefore remain under ISO operational control.[5]

## II. Process Associated with ISO Relinquishment of Antelope - Bailey Facilities

### A. The ISO Determined That It Does Not Require Operational Control of the Antelope - Bailey Facilities To Meet Its Balancing Authority Area Requirements

14. Section 4.7.1 of the Transmission Control Agreement allows the ISO to release operational control over transmission lines and associated facilities constituting

[4] The one exception is the Windhub substation, which was never under ISO operational control. A more detailed description of the EKWRA project prepared by Edison, including a list of facilities that the ISO relinquished control of, is available on the ISO's website at http://www.caiso.com/Documents/EastKernWindResourceAreaFacilities-Removed-ISO_OperationalControl.pdf

[5] These facilities consist of the Antelope, Bailey and Neenach substations, the step-up transformers to the 220 kV system and the lines connecting them.

part of the ISO controlled grid if, after consulting the participating transmission owners that own the facilities, the ISO determines that it no longer requires to exercise operational control over them in order to meet its balancing authority responsibilities. In addition, the facilities must constitute either: (i) directly assignable radial lines and associated facilities interconnecting generation; (ii) lines and associated facilities which, by reason of changes in the configuration of the ISO controlled grid, should be classified as "local distribution" or should otherwise be excluded from the facilities subject to ISO operational control consistent with FERC established criteria; or (iii) lines and associated facilities to be retired from service.

15. In response to Edison's request that the ISO relinquish control over the Antelope - Bailey facilities, ISO real-time and operations engineering staff reviewed Edison's proposal and evaluated whether those facilities were necessary to meet the ISO's balancing authority area responsibilities. In doing so, these ISO personnel took into account: (i) the technical details of the EKWRA project; (ii) the transmission planning study that demonstrated increased reliability resulting from the EKWRA reconfiguration;[6] (iii) the existence of similar configurations between Edison's system and the ISO controlled grid such as the Victor - Kramer system where the ISO does not have operational control over the radial facilities; and (iv) the ISO's decision to relinquish operational control of certain facilities in a situation similar to

[6] As discussed in paragraph 7 above, the other options explored did not resolve the reliability issues identified in the transmission planning process.

EKWRA, namely Devers - Mirage.[7] The ISO's experts also had a number of meetings with their Edison counterparts to review the details of the EKWRA reconfiguration and understand the impacts thereof.

16. With respect to the reliability benefits of the EKWRA project, the ISO determined that whether the ISO had operational control over the Antelope - Bailey facilities had no bearing on the efficacy of the EKWRA reconfiguration in terms of its ability to mitigate the reliability concerns identified in 2009.

17. As explained in Mr. Gregory Tillitson's declaration,[8] the ISO also concluded that relinquishment of operational control over the Antelope - Bailey facilities would not negatively impact the ISO's ability to procure adequate operating reserves, which is the ISO's primary requirement for meeting applicable balancing authority area standards.

18. As stated above, there are other configurations between the ISO controlled grid and Edison's system that closely resemble the post-EKWRA configuration of the Antelope - Bailey 66 kV system. With respect to those configurations, the ISO has never asserted operational control over the assets that operate radially to the ISO controlled grid. One example is the Victor - Kramer 115 kV system. The Kramer - Victor, Roadway - Victor, and Kramer - Roadway 115 kV lines are under ISO operational control because these lines provide a parallel path for flows on the 220

[7] Earlier in 2013, the ISO released operational control to Edison following upgrades on the Devers - Mirage 115 kV system, as discussed below.

[8] *See* Attachment B to this answer.

kV system, which is under ISO operational control. Additionally, the ISO has operational control over the 115 kV busses at the Kramer and Victor substations, along with the 220/115 kV transformer banks. However, SCE has operational control of the radial 115 kV lines from both Victor and Kramer to other substations including, as an example, Cottonwood, Hesperia, Phelan and Rocket Test. This arrangement has been in place since ISO inception, and the ISO has never concluded that it needs operational control over these radial assets in order to meet its balancing authority area responsibilities.

19. The arrangement of the Victor - Kramer system is functionally very similar to the post-EKWRA Antelope - Bailey system, insofar as the Antelope - Neenach and Neenach - Bailey lines and the substations will continue to be under the ISO's operational control because those assets will continue to operate in parallel with the ISO controlled grid. However, the other facilities on the Antelope - Bailey system will, like the Victor - Kramer system, operate radially to the ISO controlled grid. There is nothing about the Antelope - Bailey system to distinguish it from the Victor - Kramer system in this regard, and therefore, as with the Victor - Kramer system, there is no reason why the ISO would need to have operational control over the Antelope - Bailey facilities that are now radial to meet its balancing authority area responsibilities.

20. In 2013, the ISO also took into account a similar relinquishment proposal regarding Edison's Devers and Mirage 115 kV systems. As with Antelope - Bailey, the proposal with respect to Devers - Mirage was to open certain breakers in order

to create distinct subsystems that would operate radially to the ISO controlled grid.[9] In evaluating that request, ISO subject matter experts were tasked with considering whether the ISO needed to retain operational control of the 115kV facilities that would become radial under the new configuration. The ISO concluded that there were no reasons to retain operational control of those facilities and that, as a general matter, moving the point of interconnection between a participating transmission owner's system and the ISO controlled grid to a higher voltage level would not be expected to undermine the ISO's ability to perform its balancing authority responsibilities. Because of the similarity between the Devers - Mirage and Antelope - Bailey reconfigurations, the ISO's evaluation of the Devers - Mirage proposal informed the ISO's consideration of whether it should relinquish operational control over the Antelope - Bailey facilities.

21. Based on these considerations, the ISO's subject matter experts concluded that the ISO did not need operational control of the Antelope - Bailey facilities in order for the ISO to meet its balancing authority responsibilities.

22. ISO staff and legal counsel also reviewed Edison's analysis of the relevant FERC precedent relating to the treatment of radial assets with the ISO controlled grid, and found no reason to object to Edison's conclusion that the Antelope - Bailey facilities, post-EKWRA, should not be considered integrated with the ISO

[9] Details regarding this proposal are available on the ISO's website at http://www.caiso.com/informed/Pages/StakeholderProcesses/ReleasingTransmissionLines-FacilitiesFromOperationalControl.aspx

controlled grid. Accordingly, the ISO agreed that the Antelope - Bailey facilities qualified as facilities that should be excluded from ISO operational control "consistent with FERC established criteria" and initiated the public process prescribed by the Transmission Control Agreement.

### B. The ISO Complied With the Notice and Comment Requirements Set Forth in the Transmission Control Agreement

23. Before relinquishing operational control over any transmission lines or associated facilities pursuant to the Transmission Control Agreement, the ISO is required by Section 4.7.2 of that agreement to inform the public through the ISO website of its intention to do so and of the basis for its determination. This section also states that the ISO shall give interested parties not less than 45 days within which to submit written objections to the proposed relinquishment of operational control.

24. On September 13, 2013, the ISO published a market notice stating its intent to release the Antelope - Bailey facilities from ISO operational control, based on its determination that it did not require those facilities in order to meet its balancing authority area responsibilities, and that the facilities could be excluded from ISO operational control consistent with FERC criteria. The notice gave interested parties 45 days to submit written objections to the proposed removal.

25. On October 29, 2013, the ISO received timely objections from the Large-Scale Solar Association, Brookfield Renewable Energy Group, California Wind Energy Association and First Solar, and Silverado Power. The underlying concern of the

issues raised by these parties related to the impact on interconnection customers' rights to reimbursement for investments in network upgrades to facilities that might be reclassified from transmission to distribution facilities.

26. The ISO conducted a meeting with the entities that submitted comments and Edison to address the objections on November 25, 2013. At this meeting the parties discussed various issues, including: (i) the justification for the ISO's decision;(ii) the impact on congestion management, outages and resource adequacy issues; (iii) options for mitigating any financial impacts to interconnection customers and the transition from ISO interconnection agreements to Edison agreements; (iv) the timing of the ISO's release of operational control; and (v) FERC precedent relating to the appropriate classification of the Antelope - Bailey facilities.

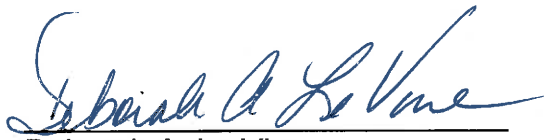
27. After considering the comments submitted and the discussion at the November 25th meeting, the ISO determined that there was not sufficient cause for the ISO to reconsider its decision to relinquish operational control over the Antelope - Bailey facilities. In particular, the ISO found no reason to question its original conclusion that it did not need the Antelope - Bailey facilities in order to meet its balancing authority area requirements. The ISO also determined that there would be no adverse market impacts resulting from the transfer, because generators connected to the Antelope - Bailey facilities will still be able to participate in the ISO's markets in the same manner as if the facilities remained under ISO operational control. With respect to issues regarding the potential reclassification

of network upgrades and interconnection cost reimbursement, the ISO concluded that although it could not resolve these issues, none of them were relevant to the determination of whether the ISO should relinquish operational control of the facilities pursuant to the Transmission Control Agreement. In addition, the ISO did not find that any of the comments submitted by interested parties provided a convincing reason to conclude that the Antelope - Bailey facilities should be under ISO operational control under "applicable FERC criteria" post-reconfiguration.

28. The work to reconfigure the Antelope - Bailey 66 kV system as radial to the ISO controlled grid pursuant to the EKWRA project was completed on December 15, 2013 and the ISO relinquished operational control at that time. Although additional work under the EKWRA project will be performed through June 30, 2014, that work will have no impact on the ISO's decision to relinquish operational control to SCE because it will not affect the radial configuration of the Antelope - Bailey system.

I declare, under penalty of perjury, that the foregoing statements are true and correct.

Executed this 17th day of January, 2014, in Folsom, California.



Deborah A. Le Vine

## Attachment B

# Declaration of Gregory Tillitson

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

| | | |
|---|---|---|
| **California Wind Energy Association and First Solar, Inc.** | ) | |
| **v.** | ) | **Docket No. EL14-14-000** |
| **California Independent System Operator Corporation and Southern California Edison Company** | ) | |

**DECLARATION OF GREGORY TILLITSON ON BEHALF OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

I, Gregory Tillitson, hereby declare as follows:

1. I am employed as the Director of Real Time Operations at the California Independent System Operator Corporation ("ISO"). My business address is 250 Outcropping Way, Folsom, CA 95630.

2. My responsibilities include the direction of the day-to-day operations and activities of the ISO Balancing Authority, Transmission Operator, and Transmission Service Provider functions performed from two control centers, one in Folsom and another in Alhambra, California. As such, I am responsible for the compilation of evidence and review of ISO certifications regarding compliance with the reliability standards associated with these functions.

3. Prior to assuming this position, I was the manager of Real Time Operations with essentially the same duties. I have also held Manager Positions at the ISO in

Operations Compliance and Reliability Coordination with responsibility for the California-Mexico Sub-region of the WECC. I have been employed with the ISO since October 1997.

4. My declaration will address the ISO's determination that, pursuant to the standard set forth in the Transmission Control Agreement, the ISO does not require operational control of certain facilities on Southern California Edison Company's ("Edison's") Antelope - Bailey 66kV system that were recently reconfigured to operate radially from the ISO controlled grid in order to meet the ISO's balancing area responsibilities. I also address the potential impact of outages on the reconfigured Antelope - Bailey system on the ISO controlled grid.

5. As explained in the declaration of Ms. Deborah Le Vine, there are a number of factors that support the ISO's decision to relinquish operational control over the Antelope - Bailey facilities. However, with respect to the ISO's ability to meet its balancing area responsibilities, the primary consideration is whether the ISO will still be able to procure and maintain adequate operating reserves in order to operate the grid in real-time. The ISO obtains operating reserves through various products offered in its ancillary services markets.

6. In evaluating Edison's request that the ISO relinquish operational control over the Antelope - Bailey system, I, along with other ISO real-time and operations engineering personnel, determined that doing so would in no way undermine or interfere with the ISO's ability to procure and maintain sufficient reserves so as to

ensure that the ISO meets the relevant NERC balancing authority area criteria. Most of the generation interconnected, or planning to interconnect, to the Antelope - Bailey system consists of intermittent resources that generally do not meet the criteria necessary to be able to provide ancillary services to the ISO. Therefore, the ISO does not rely on these resources to ensure that it meets its balancing area authority obligations.

7. Also, even if some of the generators interconnected to the Antelope - Bailey system met the criteria to provide ancillary services to the ISO, the ISO's decision to relinquish control over the Antelope - Bailey facilities will have no impact on their ability to do so. All of the generators interconnected to the Antelope - Bailey will still be participating generators under the ISO's tariff and fully able to participate in the ISO's markets for which they are certified.

8. I also wish to respond to statements made in CalWEA's complaint regarding two specific NERC balancing authority area criteria. First, CalWEA suggests that relinquishing operational control of the Antelope - Bailey facilities could present an obstacle to the ISO in its ability to comply with NERC standard BAL-001, which requires the balancing authority to maintain interconnection steady-state frequency within defined limits by balancing real power demand and supply in real-time. I disagree with CalWEA's supposition. As I explained above, the generators interconnected to the Antelope - Bailey system will be able to fully participate in the ISO markets regardless of the transfer of operational control, and therefore, the ISO will be able to utilize these resources for frequency support to the extent

they are eligible to provide such services under the ISO tariff. There is, therefore, no reason to conclude that the ISO would be at risk of violating NERC standard BAL-001 as a result of relinquishing operational control of the Antelope - Bailey facilities.

9. CalWEA also refers to NERC standard BAL-002, the purpose of which is to ensure the balancing authority is able to utilize its contingency reserves to balance resources and demand and return the interconnection frequency within defined limits following a disturbance. In other words, this standard is a measurement of the ability of a balancing authority to deploy its contingency reserves. To reiterate, most of the resources interconnecting to the Antelope - Bailey system are not expected to be certified to provide operating reserves to the ISO because of their intermittent nature. Regardless, the decision to relinquish operational control over the Antelope - Bailey facilities will in no way restrict or interfere with the ability of certified resources to provide reserves to the ISO through its ancillary services markets even if they are not interconnected to the ISO controlled grid. In summary, there is absolutely no basis to conclude that the ISO would be at risk of violating NERC standard BAL-002 as a result of relinquishing operational control of the Antelope - Bailey facilities.

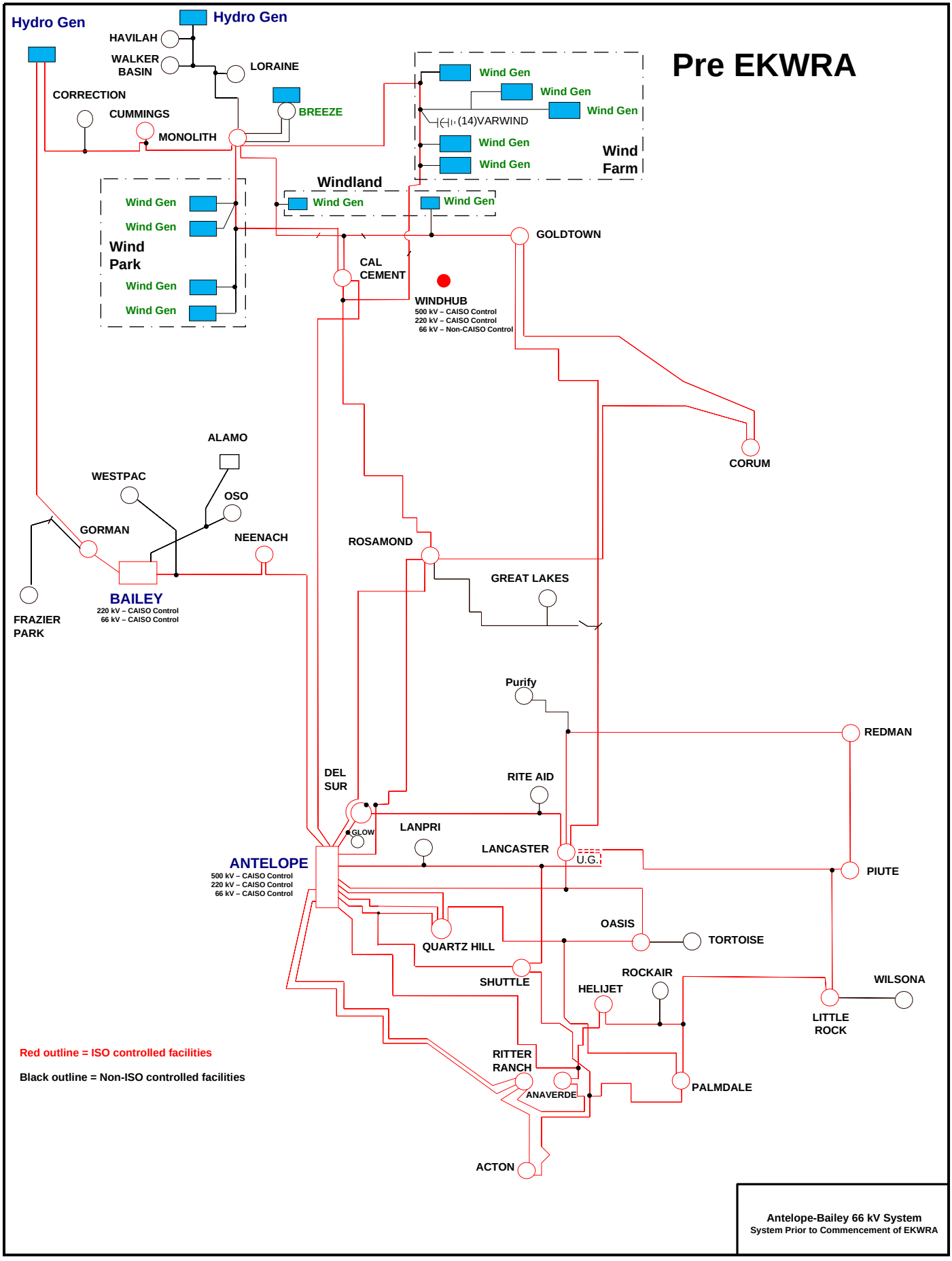
10. In addition, outages on the Antelope - Bailey facilities will not impact the integrated transmission network. The reconfigured 66 kV facilities will be connected to the ISO controlled grid in a radial fashion and therefore, an outage on one of these systems would not impact the ISO controlled grid.

I declare, under penalty of perjury, that the foregoing statements are true and correct.

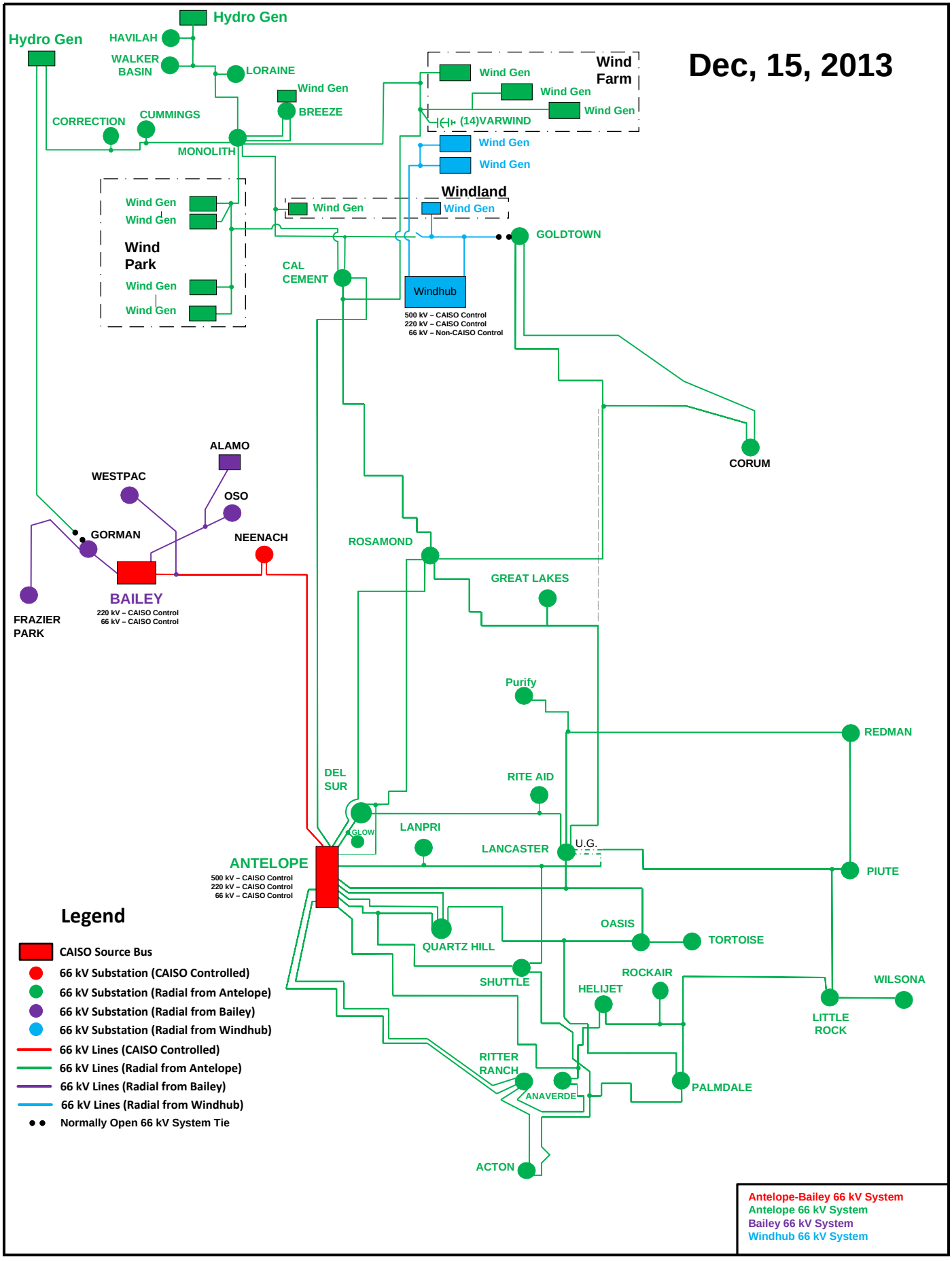
Executed this 17th day of January, 2014, in Folsom, California.

Gregory Tillotson

# Attachment C


Pre EKWRA
Hydro Gen
Hydro Gen
HAVILAH
WALKER BASIN
LORAINE
CORRECTION
CUMMINGS
BREEZE
MONOLITH
Wind Gen
Wind Gen
Wind Gen
(14)VARWIND
Wind Gen
Wind Gen
Wind Farm
Windland
Wind Gen
Wind Gen
Wind Gen
Wind Gen
Wind Park
Wind Gen
Wind Gen
GOLDTOWN
CAL CEMENT
WINDHUB
500 kV – CAISO Control
220 kV – CAISO Control
66 kV – Non-CAISO Control
CORUM
ALAMO
WESTPAC
OSO
GORMAN
NEENACH
ROSAMOND
GREAT LAKES
BAILEY
220 kV – CAISO Control
66 kV – CAISO Control
FRAZIER PARK
Purify
REDMAN
DEL SUR
RITE AID
GLOW
LANPRI
LANCASTER
U.G.
ANTELOPE
500 kV – CAISO Control
220 kV – CAISO Control
66 kV – CAISO Control
PIUTE
OASIS
TORTOISE
QUARTZ HILL
SHUTTLE
ROCKAIR
HELIJET
WILSONA
LITTLE ROCK
RITTER RANCH
ANAVERDE
PALMDALE
ACTON
Red outline = ISO controlled facilities
Black outline = Non-ISO controlled facilities
Antelope-Bailey 66 kV System
System Prior to Commencement of EKWRA

# Attachment D


Dec, 15, 2013
Hydro Gen
Hydro Gen
HAVILAH
WALKER BASIN
LORAINE
Wind Gen
BREEZE
CORRECTION
CUMMINGS
MONOLITH
Wind Gen
Wind Gen
Wind Gen
Wind Farm
(14)VARWIND
Wind Gen
Wind Gen
Windland
Wind Gen
Wind Gen
Wind Gen
Wind Gen
Wind Park
Wind Gen
Wind Gen
GOLDTOWN
CAL CEMENT
Windhub
500 kV – CAISO Control
220 kV – CAISO Control
66 kV – Non-CAISO Control
CORUM
ALAMO
WESTPAC
OSO
GORMAN
NEENACH
ROSAMOND
GREAT LAKES
BAILEY
220 kV – CAISO Control
66 kV – CAISO Control
FRAZIER PARK
Purify
REDMAN
DEL SUR
RITE AID
GLOW
LANPRI
LANCASTER
U.G.
ANTELOPE
500 kV – CAISO Control
220 kV – CAISO Control
66 kV – CAISO Control
PIUTE
OASIS
TORTOISE
QUARTZ HILL
SHUTTLE
ROCKAIR
HELIJET
WILSONA
LITTLE ROCK
RITTER RANCH
ANAVERDE
PALMDALE
ACTON
Legend
CAISO Source Bus
66 kV Substation (CAISO Controlled)
66 kV Substation (Radial from Antelope)
66 kV Substation (Radial from Bailey)
66 kV Substation (Radial from Windhub)
66 kV Lines (CAISO Controlled)
66 kV Lines (Radial from Antelope)
66 kV Lines (Radial from Bailey)
66 kV Lines (Radial from Windhub)
Normally Open 66 kV System Tie
Antelope-Bailey 66 kV System
Antelope 66 kV System
Bailey 66 kV System
Windhub 66 kV System

## 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 Washington, DC on this 17th day of January, 2014.

*/s/ Michael Kunselman*

Michael Kunselman
202-239-3300