

**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)

**OPENING BRIEF OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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

Attorneys for the California Independent
System Operator Corporation

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Table of Contents

I. Introduction	1
II. SCE’s Selected RFO Results Are an Electrically Effective Means to Partially Meet Local Capacity Requirements in the Moorpark Sub-Area.	2
III. SCE’s Consultations with the CAISO Were Consistent with Commission Direction and Resulted in the Procurement of Resources that Meet Local and System Operational Needs.	2
IV. Conclusion and Recommendation	4

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I. Introduction

In the March 13, 2015 Assigned Commissioner’s Ruling and Scoping Memo (Scoping Memo), the Commissioner established the relevant issues and procedural schedule for Southern California Edison Company’s (SCE’s) application for Approval of the results of its 2013 local capacity requirements (LCR) request for offers (RFO) for the Moorpark sub-area. According to the schedule set forth in the Scoping Memo, the California Independent System Operator Corporation (CAISO) filed testimony on April 8, 2015 concluding that (1) the results of SCE’s 2013 LCR RFO for the Moorpark sub-area enhance the safe and reliable operation of SCE’s electrical service; and (2) the results of SCE’s 2013 LCR RFO for the Moorpark sub-area is a reasonable means to meet a portion of the identified LCR need determined by D.13-02-015.¹ The procedural schedule adopted for this proceeding established July 22, 2015 as the due date for opening briefs. Consistent with this schedule, the CAISO submits its opening brief.

¹ See Scoping Memo, p. 3-4; Exhibit CAISO-3, p. 2.

II. SCE’s Selected RFO Results Are an Electrically Effective Means to Partially Meet Local Capacity Requirements in the Moorpark Sub-Area.

D.13-02-015 authorized SCE to procure 215 to 290 megawatts (MW) of electric capacity in the Moorpark sub-area area to meet LCR needs. D.13-02-015 recognized the “operational benefits from having specific types of in-area generation with the characteristics of the current [once-through-cooling] plants for the Moorpark area” and noted that local capacity requirements “require resources be located in a specific transmission-constrained area in order to ensure adequate available electrical capacity to meet peak demand, and ensure the safety and reliability of the local electrical grid.”² Consistent with the Commission’s decision, SCE’s Application requests approval to procure resources totaling approximately 274 MW of capacity in the Moorpark sub-area.

In Section 7.3.2 of D.13-02-015, the Commission set forth minimum requirements for resources to be considered in SCE’s RFO. The Commission stated that the RFO should be limited to resources that (1) meet the identified reliability constraint identified by the CAISO, (2) are demonstrably incremental to the assumptions used in the CAISO studies, and (3) offer the performance characteristics needed to be eligible to count as local RA capacity. Based on the CAISO’s review, the resources selected in SCE’s RFO meet these criteria.³

III. SCE’s Consultations with the CAISO were Consistent with Commission Direction and Resulted in the Procurement of Resources that Meet Local and System Operational Needs.

The CAISO worked with SCE to confirm that the location and characteristics of the procured RFO resources would meet the local capacity needs. During the pendency of the RFO process, SCE provided the CAISO with numerous conceptual procurement

² D.13-02-015, p. 2.

³ Exhibit CAISO-1, p. 3.

scenarios with varying preferred resource characteristics. The CAISO studied a representative sample of those scenarios to determine whether the conceptual portfolios would meet the local capacity needs. The CAISO discussed the results of those studies with SCE showing which conceptual portfolios would meet the local capacity needs and which conceptual portfolios would not.

The CAISO also informed SCE that demand response and non-dispatchable resources must have a fixed operational period of four hours for qualified capacity valuation calculations set by the Commission.⁴ Resources that do not meet the Commission's minimum standards for qualifying capacity are not capable of receiving system resource adequacy credit. The CAISO and SCE conducted these consultations consistent with the Commission's directive in D.13-02-015 to "meet the identified reliability constraint identified by the CAISO" and "use the most up-to-date effectiveness ratings."

Consistent with CAISO's transmission planning process, the CAISO also noted that demand response resources reasonably need to be able to respond within 20 minutes following notification to be effective for local capacity needs. The 20-minute maximum response time is based on NERC requirements in positioning a system post-contingency to be prepared for the next contingency. NERC standards call for the system to be repositioned within 30 minutes of the initial event,⁵ and time must also be allowed for transmission operator decisions and communication.

⁴ See the Commission's 2015 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings, issued September 9, 2015. <http://www.cpuc.ca.gov/NR/rdonlyres/70C64A46-89DE-4D90-83AB-93FD840B4251/0/Final2015RAGuide.docx>

⁵ See NERC standards TOP-004 and TOP-007.

SCE consulted with the CAISO to ensure that the selected RFO resources would meet local and system resource adequacy criteria, which, in turn, are based on state and federal requirements. Through its consultations with SCE, the CAISO was able to ensure that the selected RFO resources do in fact meet system needs.

IV. Conclusion and Recommendation

The CAISO's local capacity requirement analyses show that the procured RFO resources will help maintain the reliable operation of SCE's electrical service and that the results are consistent with the procurement authorization in D.13-02-015. In addition, SCE's consultations with the CAISO during the RFO process were consistent with the Commission's directives and necessary to ensure that the selected resources met identified capacity needs. Based on this, the CAISO recommends that the Commission approve the results of SCE's 2013 RFO for the Moorpark sub-area.

Respectfully submitted

By: /s/ Jordan Pinjuv

Roger E. Collanton

General Counsel

Anthony Ivancovich

Deputy General Counsel

Anna McKenna

Assistant General Counsel

Jordan Pinjuv

Counsel

California Independent System

Operator Corporation

250 Outcropping Way

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