

**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)

**REPLY COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
ON THE ALTERNATE PROPOSED DECISION**

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

I. Introduction

The CAISO continues to support the Peterman APD as a reasonable means to meet the majority of the identified local capacity requirement (LCR) need, but recommends that the Commission approve the Ellwood Project to address all needs in the Moorpark sub-area. These reply comments primarily address the need for the Puente Power Project (Puente Project) and refurbishment of the Ellwood Generating Station (Ellwood Project), specifically responding to Opening Comments made by the City of Oxnard (Oxnard), the Office of Ratepayer Advocates (ORA), and the Sierra Club.¹

¹ The CAISO does not separately address the claims made by EnerNoc, Inc. (EnerNoc) because those claims are largely unchanged from those made in EnerNoc's Opening Comments on the Proposed Decision and Commissioner Florio's Alternate Proposed Decision. As a result, the CAISO incorporates by reference its Reply Comments on the Proposed Decision and the Florio Alternate Proposed Decision as filed February 8, 2016.

II. Discussion

A. The Ellwood Project

ORA makes several claims regarding the need for the Ellwood Project that require correction. First, ORA states that “no need has been found in the Moorpark subarea for any LTPP decision subsequent to the Track 1 Decision.”² The CAISO notes that no LTPP proceeding has reviewed LCR need in the Moorpark sub-area since the Track 1 Decision. Track 4 of the 2012 LTPP focused specifically on local Los Angeles and San Diego area reliability issues caused by the early retirement of the San Onofre Nuclear Generating Station. The 2014 LTPP focused on system capacity needs without regard to local area requirements. ORA’s statement does not constitute evidence that there is no need in the Moorpark sub-area.

ORA also states that “CAISO LCR reports subsequent to the Track 1 Decision show no deficiency in the Big Creek/Ventura sub-area.”³ Again, ORA fails to cite information pertinent to this proceeding. Moorpark is a sub-area within the larger Big Creek/Ventura area. Although the CAISO has not found a need for the larger Big Creek/Ventura area, it has found a distinct need for resources in the Moorpark sub-area. In this proceeding, the CAISO specifically presented its need findings from its 2014-2015 transmission plan. As stated above, this analysis showed a total LCR need in the Moorpark sub-area of 230 MW in addition to 93 MW of AAEE.⁴ The CAISO specifically included the relevant excerpts from its 2014-2015 transmission plan in its testimony in this proceeding.⁵ ORA correctly notes that the Ellwood plant was assumed as operational in this analysis. As a result, it is clear that if Ellwood plant is instead retired, it will increase the identified need on a megawatt-for-megawatt basis.

Lastly, ORA notes that the reliability concerns in the Moorpark sub-area are based on the loss of two 230 kV Goleta-Santa Clara transmission lines.⁶ This assertion is incorrect and seems to conflate the Moorpark sub-area bulk electric system needs identified by the CAISO with the distinct Goleta area distribution-related needs identified by SCE. The CAISO analysis is based on bulk electric system needs and North American Electric Reliability Corporation (NERC)

² ORA Opening Comments, p. 3.

³ ORA Opening Comments, p. 3.

⁴ Exhibit CAISO-1 (*See* Exhibit 1, p. 90).

⁵ *Id.*

⁶ ORA Opening Comments, p. 3.

standards. The contingency events driving the specific Moorpark sub-area needs are the loss of the Moorpark-Pardee #3 line followed by the loss of the Moorpark-Pardee #1 & #2 lines, which causes a voltage collapse.⁷ SCE identified separate distribution-related reliability issues that affect the Goleta area under different contingency scenarios. The CAISO has not independently studied these scenarios because the reliability concerns are not related to the bulk electric system.

Based on the foregoing, ORA has made several incorrect representations regarding the CAISO-identified capacity needs in the Moorpark sub-area. The CAISO analysis indicates that the entire LCR need will be met only if the Ellwood plant remains in operation *and* the LCR resources at issue in this proceeding are approved *and* all assumed AAEE is realized as expected. As a result, the bulk electric system needs warrant approval of the Ellwood Project.

B. The Puente Project

Oxnard and the Sierra Club argue that SCE's request for approval of the Puente Project should be denied and that the Commission should require SCE to issue a new request for offers (RFO) to address LCR needs in the Moorpark sub-area. A new RFO would be unreasonable because it would put at risk the state's compliance with once-through-cooling (OTC) regulations that require the closure of 2,000 MW of OTC facilities in the Moorpark sub-area in 2020. In this proceeding, the CAISO confirmed the need for 230 MW of new capacity in the Moorpark sub-area in addition to 93 MW of additional achievable energy efficiency (AAEE) to address total LCR needs. The Puente Project is a key resource to meet the identified LCR needs in a timely manner. Requiring SCE to issue, vet, and potentially re-litigate a new RFO will result in substantial delay in procurement of resources in the Moorpark sub-area while serving little purpose, because SCE accepted all preferred resource offers in its initial RFO. The Commission should not risk non-compliance with the OTC regulations based on the speculative benefits of a new RFO.

III. Conclusion

The CAISO strongly supports the Peterman APD as a reasonable means to meet the majority of the identified LCR need in the Moorpark sub-area. In addition, there is more than

⁷ Exhibit CAISO-1 (*See* Exhibit 1, p. 90).

sufficient evidence in the record to support approval of the Ellwood Project to meet any residual LCR need.

Respectfully submitted

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