

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

In the Matter of the Application of
SOUTHERN CALIFORNIA EDISON
COMPANY (U 338-E) for a Permit to
Construct Electrical Substation Facilities With
Voltage Above 50 kV:
Mesa 500kV Substation Project.

Application 15-03-003
(Filed March 13, 2015)

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

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

On Monday, October 10, 2016, in the Commission's offices at 505 Van Ness Avenue, San Francisco, California, the CAISO participated in two separate meetings with advisors from the offices of President Picker and Commissioner Randolph. For the CAISO Neil Millar, Executive Director of Infrastructure Development, and Dennis Peters, External Affairs Manager, participated in meetings with David Peck, Energy Advisor to President Picker, Rachel Peterson, Chief of Staff to Commissioner Randolph and Leuwam Tesfai, Advisor to Commissioner Randolph. Also present were Caroline Choi, Senior Vice President, Regulatory Affairs, Pete Dietrich, Senior Vice President, Transmission & Distribution, and Laura Genao, Director, CPUC Regulatory Affairs from Southern California Edison Company (SCE). The meeting was initiated by the CAISO and SCE to discuss the status of the permit to construct the Mesa Substation 500 kV project (also known as the Mesa Loop-In Project). The meeting with Mr. Peck took place between 1:00 p.m. and 1:30 p.m. The meeting with Ms. Peterson and Ms. Tesfai took place between 1:30 p.m. and 2:00 p.m. The CAISO addressed the same substantive issues in both meetings.

During the meetings, the CAISO discussed its identification of the Mesa Loop-In Project in its 2013-2014 transmission plan as a necessary element to account for the loss of the San Onofre Nuclear Generating Station and generation subject to retirement based on the once-

through-cooling (OTC) regulations promulgated by the State Water Resource Control Board. The CAISO explained the need for the Mesa Loop-In to facilitate the timely retirement of the Redondo Beach and Alamitos OTC generating units at the end of 2020 pursuant to the OTC regulations. The CAISO explained that if the Mesa Loop-In Project is delayed, OTC compliance dates will need to be deferred to preserve electrical reliability in the Los Angeles Basin.

The CAISO also discussed the infeasibility of the environmentally preferred alternatives identified in the Final Environmental Impact Report. The CAISO explained that Alternatives 1 and 2 failed to meet applicable reliability standards based on updated modeling of renewable resources outside of the Los Angeles Basin. The CAISO also noted that Alternative 3, which includes a gas-insulated substation, would significantly increase project costs and potentially delay the implementation timeline. The CAISO recommended that the Commission approve the Mesa Loop-In Project as proposed in SCE's application.

The CAISO did not provide any written communications.

Respectfully submitted

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