

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

Application of PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 E) for a Certificate of Public  
Convenience and Necessity Authorizing the  
Construction of the Jefferson-Martin 230 kV  
Transmission Project

Application No. A-02-09-043

**PETITION TO SET ASIDE SUBMISSION  
AND REOPEN THE PROCEEDING  
OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR**

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Dated: March 17, 2004

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OF THE STATE OF CALIFORNIA**

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**PETITION TO SET ASIDE SUBMISSION  
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In accordance with Rule 84 of the Commission's Rules of Practice and Procedure, the California Independent System Operator ("CAISO") respectfully submits this Petition to Set Aside Submission and Reopen the Proceeding ("Petition") for the taking of additional evidence. This Petition is necessary to prevent a misunderstanding by the CAISO from being perceived as an attempt to mislead the Presiding Judge as well as to ensure that the Commission has a full, complete and accurate record upon which to determine the need for the Jefferson-Martin Project. Specifically, the CAISO seeks to augment the record by submitting load forecast information for the "San Francisco Peninsula Area," including for the year 2009, as cited in its Opening Brief at page 27. The record already contains testimony 1) demonstrating that the CAISO used PG&E's March 2003 low load forecast methodology, 2) explaining that the difference in reported load forecast projections between the CAISO and PG&E results solely from the CAISO's evaluation of a geographical area larger than PG&E's "Project Area," and 3) reporting specific results for years 2006 and 2010 using PG&E's 2003 low load forecast

methodology as applied to the CAISO's San Francisco Peninsula Area. Thus, by this Petition, the CAISO does not seek to alter or modify any foundational fact or assumption related to the load forecast methodology relied upon in its testimony. Rather, the CAISO merely seeks to add further load forecast results to those it has already made part of the record. Intervenors have fully examined PG&E's March 2003 low load forecast and had ample opportunity to probe the CAISO's use of that methodology and the derivation of its own reported results and, therefore, no intervenor will suffer prejudice by the granting of this Petition.

### **I. NEED FOR THE PETITION**

On pages 26 through 30 of the CAISO's Opening Brief, the CAISO addresses the need for the Jefferson-Martin Project under the assumption that the San Francisco combustion turbines ("SF CTs") are online. As part of this argument, the CAISO relies on a PG&E load forecast of 2027 MW for the San Francisco Peninsula Area for year 2009. (CAISO Opening Brief at 27.) The CAISO supports this fact by reference to Exhibit 163, Appendix 1, which is PG&E's 2003 Electric Transmission Grid Expansion Plan, dated December 11, 2003 ("Expansion Plan").

Given the CAISO's narrow focus in this proceeding on the issue of need, counsel did not attend each day of the hearings. Accordingly, for exhibits identified on days in which counsel was absent, but already otherwise in the CAISO's possession, the CAISO relied on its existing files. Due to the size of the Expansion Plan, the document was transmitted electronically within the CAISO to counsel in parts, one of which included the load forecast data cited in its testimony and Opening Brief. Counsel for the CAISO erroneously concluded that the load forecast data cited in the CAISO's testimony and

Opening Brief was contained within the Expansion Plan. However, based on further review prompted by an inquiry from counsel for the City and County of San Francisco on March 15, 2004, counsel for the CAISO first became aware that the data, in fact, was not part of Exhibit 163. Rather, the data was disseminated to the CAISO and interested Stakeholders in March 2003 as part of the development of the Expansion Plan and to assist the CAISO and stakeholders in their evaluation of studies and analyses to be included in the Expansion Plan.<sup>1</sup> As such, the load forecast data is the same as that utilized by the Expansion Plan, but simply set forth in greater detail than that finally reported in Exhibit 163.

The CAISO believes this Petition is necessary to remedy any perception that the CAISO attempted to mislead the Presiding Judge by inadvertently misrepresenting the contents on Exhibit 163 as well as to ensure that the Commission has a full, complete and accurate record on the critical issue of when the Jefferson-Martin Project is needed to meet reliability criteria.

## **II. RELATIONSHIP OF NEW EVIDENCE TO RECORD EVIDENCE**

PG&E states in its opening testimony on need that the “March 2003 Low Load Forecast” “was prepared using the same methodology and basic data, such as system peak demand forecast, which were used to develop the base case loads for PG&E’s 2003 Electric Transmission Grid Expansion Plan study. That methodology, basic data and the resultant base case loads were reviewed and accepted by the CAISO and the Transmission Expansion Plan Study Stakeholder Group.” (Exhibit 4 at 65:10-15.) The

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<sup>1</sup> See, Attachment 2 (Declaration of Sandeep Arora) and Attachment 3 (Declaration of Grant Rosenblum).

CAISO's opening testimony confirms that it also relied on PG&E's March 2003 low load forecast:

Building the Jefferson-Martin Project would increase the San Francisco Peninsula Area [load serving capability or "LSC"] to approximately 2,092 MW. While the San Francisco Load Serving Capability study provides key load serving information about the San Francisco Peninsula Area, a companion ten-year load forecast for the area is needed to assess the need and timing of the Project. In March 2003, PG&E released a load forecast for this area to the CAISO and area Community Stakeholders. This load forecast projects the 2006 load for the San Francisco Peninsula Area to be 1,949 MW which without the Project, will exceed the LSC for this area in 2006. Therefore, based on this forecast, the Jefferson-Martin Project would provide enough load serving capability for the San Francisco Peninsula Area through 2010 when load is currently projected to reach 2050 MW. (Exhibit 38 at 3:23-4:4.)

The CAISO further clarified in its opening testimony that it "review PG&E's 2003 Expansion Plan load forecasts for the PG&E's San Francisco and Peninsula Divisions" and that it recommended "utilizing PG&E's 2003 Expansion Plan demand forecast when planning the timing of the Jefferson-Martin Project." (*Id.* at 13:7-16.) The only distinction in the load forecast results reported by PG&E and the CAISO in this case results from the fact, repeatedly acknowledged during hearings, that the geographical area studied by the CAISO and PG&E differ. (See, e.g., Exhibit 39 at 15:19-20.) PG&E's testimony generally refers to the "Project Area," which consists of the City and County of San Francisco, Burlingame, Millbrae, San Bruno, South San Francisco, Brisbane, Colma, Daly City, Pacifica and Hillsborough. (Exhibit 4 at 1:10-12; Tr. at 385:22-26.) In contrast, as noted above, the CAISO refers to the broader San Francisco Peninsula Area, which encompasses the San Francisco peninsula and the City and County of San Francisco. The San Francisco peninsula represents the area north of the Ravenswood Substation, which is located near the western terminus of the Dumbarton

Bridge, up to the City of San Francisco. (Exhibit 4, Attachment 6 at p. 12; Exhibit 39 at 15:19-23.) The CAISO adopted this perspective because the ability to serve electric load within the San Francisco Peninsula Area is impacted not only by generation and transmission facilities within the San Francisco Peninsula Area, but also by transmission facilities connecting it to the greater Bay Area. (Exhibit 4, Attachment 6 at p. 12; Exhibit 38 at 3:6-15 and 8:3-21.) It is this broader perspective that is noted by the CAISO when it testified that it reviewed the load forecasts for both the San Francisco and Peninsula Divisions of PG&E's service territory.

Attachment 1, which the CAISO respectfully requests be given the next available exhibit number, includes the load forecast data results expressly referenced in the CAISO's opening testimony for years 2006 and 2010. It also sets forth the entire "companion ten-year load forecast" for the San Francisco Peninsula Area mentioned in the CAISO's testimony. Finally, Attachment 1 breaks down the load forecast results by the San Francisco and Peninsula Divisions consistent with the CAISO's focus on the San Francisco Peninsula Area.

### **III. INTERVENORS WILL NOT SUFFER PREJUDICE BY REOPENING THE RECORD TO PERMIT SUBMISSION OF THE LOAD FORECAST DATA**

Several points become clear from the foregoing testimony:

- The CAISO explicitly stated that its load forecasts derived from data provided by PG&E in preparing the Expansion Plan
- The load forecast data provided to the CAISO reflected load for PG&E's San Francisco and Peninsula Divisions

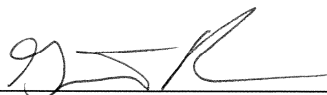
- The CAISO utilized an analysis that evaluated San Francisco and the Peninsula jointly
- The CAISO explicitly reported the load forecast results for 2006 and 2010 for San Francisco and the Peninsula jointly based on the information provided by PG&E in preparing the Expansion Plan
- The Expansion Plan methodology is the same as PG&E's low load forecast

Intervenors as well as the Presiding Judge thoroughly explored PG&E's methodology underlying its March 2003 low load forecast. Further, intervenors were well aware of, and specifically examined, the CAISO and PG&E on the divergent geographical areas covered by their respective analyses. Thus, intervenors had ample notice and opportunity to examine the CAISO on the origin and validity of its reported load forecast numbers. The instant Petition does not alter any of the fundamental characteristics or nature of the CAISO's record testimony. The CAISO does not believe, therefore, that any intervenor will suffer prejudice from the granting of this Petition. In contrast, the granting of this Petition will enhance the ability of the Commission to reach a reasoned decision on whether to issue a Certificate of Public Convenience and Necessity for the Jefferson-Martin Project.

#### IV. CONCLUSION

Based on the foregoing arguments, the CAISO respectfully requests that the Presiding Judge grant this Petition.

Respectfully submitted,



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Attorneys for  
**California Independent System Operator**

Dated: March 17, 2004



**ATTACHMENT 1**  
**(Relevant Divisions in Bold)**

**1-in-10 summer area base case loads for Greater Bay Area**

Name	2002 1-in-10 Bay Area	2003 1-in-10 Bay Area	2004 1-in-10 Bay Area	2005 1-in-10 Bay Area	2006 1-in-10 Bay Area	2007 1-in-10 Bay Area	2008 1-in-10 Bay Area	2009 1-in-10 Bay Area	2010 1-in-10 Bay Area	2011 1-in-10 Bay Area	2012 1-in-10 Bay Area	2013 1-in-10 Bay Area
HUMBOLDT	123	125	127	130	132	135	137	139	141	143	145	146
N. COAST	960	980	1008	1030	1055	1085	1107	1124	1141	1157	1169	1181
N. VALLEY	674	686	700	712	726	739	756	767	777	787	798	808
SACRAMENTO	937	961	991	1011	1033	1054	1083	1109	1135	1159	1185	1212
SIERRA	793	816	839	863	888	914	940	964	987	1009	1034	1060
NORTHBAY	467	474	483	496	503	511	517	522	526	531	533	536
EAST BAY	792	802	813	822	833	844	854	862	869	876	884	891
DIABLO	1630	1660	1670	1696	1732	1774	1812	1844	1874	1902	1931	1960
<b>S.F.</b>	<b>888</b>	<b>900</b>	<b>915</b>	<b>927</b>	<b>942</b>	<b>955</b>	<b>968</b>	<b>978</b>	<b>989</b>	<b>998</b>	<b>1008</b>	<b>1018</b>
<b>PENNSULA</b>	<b>944</b>	<b>957</b>	<b>967</b>	<b>988</b>	<b>1007</b>	<b>1023</b>	<b>1037</b>	<b>1049</b>	<b>1061</b>	<b>1072</b>	<b>1084</b>	<b>1095</b>
STOCKTON	1019	1050	1073	1097	1124	1149	1188	1224	1258	1292	1329	1366
STANISLAUS	227	231	235	239	243	247	251	254	258	261	264	267
YOSEMITE	693	697	703	718	724	729	735	735	735	736	736	736
FRESNO	1691	1718	1737	1763	1784	1804	1837	1867	1896	1924	1953	1983
KERN	1283	1306	1326	1345	1366	1386	1400	1426	1453	1480	1511	1542
MISSION	1344	1370	1421	1451	1484	1511	1535	1555	1575	1592	1611	1629
DE ANZA	889	907	924	939	953	973	990	1011	1033	1053	1076	1099
SAN JOSE	1720	1781	1840	1890	1935	1975	2035	2115	2196	2276	2365	2457
CENCOAST	642	652	664	676	688	701	706	716	726	735	744	753
LOSPADRS	492	499	506	513	521	528	536	543	549	556	563	570

## ATTACHMENT 2

I, Sandeep Arora, declare:

1. I am a Grid Planning Engineer for the California Independent System Operator (“CAISO”). As part of my responsibilities, I review the assessment results for a few PG&E areas, as part of PG&E’s Expansion Planning process. This involves participation in stakeholder meetings, several discussions with PG&E, and providing comments facilitating finalization of the Electric Transmission Grid Expansion Plan (“Expansion Plan”).
2. The load forecast data set forth in Attachment 1 was disseminated to the CAISO and interested stakeholders in March 2003 as part of the development of PG&E’s 2003 Expansion Plan and to assist the CAISO and stakeholders in their evaluation of studies and analyses to be included in the Expansion Plan. The load forecast data in Attachment 1 is the same as that utilized by the Expansion Plan, but simply set forth in greater detail than that finally reported in the Final Expansion Plan.
3. Attachment 1 is a true and correct expert of the information provided to the CAISO by PG&E in its 2003 Expansion Plan process.

Under penalty of perjury under the laws of the State of California, the foregoing is true and correct. Executed the 17<sup>th</sup> day of March, 2004, in Folsom, California.



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Sandeep Arora

**ATTACHMENT 3**  
**Declaration of Grant Rosenblum**

I, Grant Rosenblum, declare as follows:

1. I hold the position of Regulatory Counsel with the California Independent System Operator (“CAISO”) and have been assigned to represent the CAISO in Commission docket no. A.02-09-43.


2. On pages 26 through 30 of the CAISO’s Opening Brief, filed in this proceeding on March 4, 2004, the CAISO addresses the need for the Jefferson-Martin Project under the assumption that the San Francisco combustion turbines (“SF CTs”) are online. As part of this argument, the CAISO relies on a PG&E load forecast of 2027 MW for the San Francisco Peninsula Area for year 2009. (CAISO Opening Brief at 27.) The CAISO supports this fact by reference to Exhibit 163, Appendix 1, which is PG&E’s 2003 Electric Transmission Grid Expansion Plan, dated December 11, 2003 (“Expansion Plan”).

3. Given the CAISO’s narrow focus in this proceeding on the issue of need, I did not attend each day of the hearings. Accordingly, for exhibits identified on days in which I was absent, but already otherwise in the CAISO’s possession, I relied on the CAISO’s existing files. In this regard, when I became aware that the Expansion Plan had been made part of the record, I requested a copy from Grid Planning. Due to the size of the Expansion Plan, the document was transmitted electronically to me in parts, one of which included the load forecast data cited in the CAISO’s testimony and Opening Brief. I erroneously concluded that the load forecast data cited in the CAISO’s testimony and Opening Brief was contained within the Expansion Plan. However, based on further

review prompted by an inquiry from counsel for the City and County of San Francisco on March 15, 2004, I became aware that the data, in fact, was not part of Exhibit 163.

4. The CAISO believes this Petition is necessary to remedy any perception that the CAISO attempted to mislead the Presiding Judge by inadvertently misrepresenting the contents of Exhibit 163 as well as to ensure that the Commission has a full, complete and accurate record on the critical issue of when the Jefferson-Martin Project is needed to meet reliability criteria.

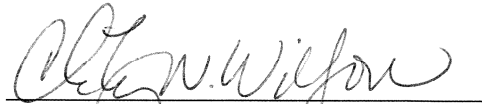
Under the penalty of perjury under the laws of the State of California, I declare that the foregoing is true and correct. Executed this 17<sup>th</sup> day of March, 2004 in Folsom, California.

  
\_\_\_\_\_  
Grant Rosenblum

PROOF OF SERVICE

I hereby certify that on March 17, 2004 I served, by electronic and U.S. mail, the Petition To Set Aside Submission and Reopen The Proceeding of The California System Operator Corporation to the parties in Docket # A.02-09-043.

DATED at Folsom, California on March 17, 2004.

  
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