

SCE appreciates the CAISO's efforts associated with the release of the Addendum to the 2013 LCR Final Report. Our comments, which support the CAISO's proactive approach and voice a desire for continued monitoring rather than premature action, are based upon our review of the Addendum Report and our participation in the CAISO sponsored workshop.

### **Modeled input assumptions**

SCE's understanding is that the Addendum Report identifies reliability concerns associated with a decrease of approximately 3,200 MW of generating resources relative to the 2013 LCR Results (April 2012). This decrease is associated with the modeled unavailability of both SONGS units (1122 MW & 1124 MW), the retirement of El Segundo #3 (335 MW), and an updated scheduled in-service date (post June 1, 2013) for the El Segundo Repower project (630 MW).

The Addendum Report also mentions a 10 MW increase in load associated with an updated load forecast.

SCE acknowledges that these input assumptions are valid for the stated purpose of the CAISO's study, that purpose being to identify potential local area reliability concerns associated the unavailability of both SONGs generation resources for the planning year 2013.

### **Results based upon modeled input assumptions**

SCE believes that the results of the study regarding local capacity requirement are reasonable given the input assumptions that are modeled.

We do, however, also believe that it is much too early for any actions to be taken by any stakeholders based solely upon the results/recommendations contained in this report. Data from regularly scheduled updates to the NQC list, the short-term load forecast, generation resource outage schedules, and new generation resource construction schedules should become available during the next few months and data from anyone of these updates could have a material impact on the results of this study.

### **Recommendations based upon modeled input assumptions**

The mitigation plans identified within this Addendum Report involving transmission reconfigurations and installation of shunt capacitors have also been identified and discussed as part of the CAISO's 2012-2013 Transmission Planning Process (TPP) [2012 – 2013 Reliability Assessment: Preliminary Study Results - Aug 15, 2012]. SCE's Transmission and Planning Dept. has been involved with these discussions within the TPP stakeholder initiative and SCE's comments associated with these recommendations will be provided within the TPP stakeholder initiative.

SCE has no comments at this time regarding the CAISO initiating contract discussions with Huntington Beach #3 & #4 regarding converting HB 3&4 to operate as a synchronous condenser.

SCE strongly encourages a thorough review of all assumptions and options before any commitments are made to implement mitigating activities.

#### **Modeled assumptions vs. available forecast information**

SCE acknowledges the CAISO's intent of this study is to provide advance notice of 2013 LCR needs should the current unavailability status of SONGs still be in effect June 1, 2013.

We believe it is appropriate to mention that using data from forecasts that will be updated during the forthcoming months may impact the results of the study.

#### **CPUC involvement**

As mentioned within the Addendum Report, the CAISO is not proposing to change the 2013 LCR allocations already provided to Load Serving Entities based upon the 2013 LCR Study (April 2012) and similarly provided to the CPUC as part of the CPUC's 2013 RA procurement process.

Because of the role the CAISO's LCR study results play within the CPUC's annual RA process, SCE is interested in reading any concerns voiced by the CPUC regarding the CAISO's Addendum Report.

#### **Going Forward**

SCE supports ongoing discussions between the CAISO, the CPUC, and all other impacted stakeholders regarding identifying and prudently implementing mitigation plans that help address potential reliability concerns that result from changes to the 2013 LCR assumptions. As identified within the Addendum Report, these mitigation plans can involve generation, transmission and/or demand-side resources.

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