

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

In the Matter of the Application of
SOUTHERN CALIFORNIA EDISON
COMPANY (U338E) for a Certificate of
Public Convenience and Necessity for the
West of Devers Upgrade Project and for an
Interim Decision Approving the Proposed
Transaction between Southern California
Edison and Morongo Transmission LLC.

Application 13-10-020

**REPLY 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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The Administrative Law Judge established January 29, 2016 as the date for reply briefs in the matter of Southern California Edison Company's (SCE) application for a certificate of public convenience and necessity (CPCN) West of Devers Upgrade Project (Proposed Project). Consistent with this schedule, the California Independent System Operator Corporation (CAISO) submits its reply brief.

I. Introduction

The Office of Ratepayer Advocates (ORA) opposes approval of the Proposed Project primarily claiming it is not needed.¹ ORA fails to directly address the CAISO-identified need for the Proposed Project based on Commission-developed Renewable Portfolio Standard (RPS) Calculator and does not consider the processes that the CAISO and Commission have collaboratively developed to identify needs and develop infrastructure to meet the state RPS goals. The outcome of this proceeding will significantly impact the credibility of this collaborative process. The Commission should affirm that the portfolios provide reliable planning assumptions on which the CAISO can rely to identify and approve policy-driven transmission projects in the CAISO's transmission planning process. This iterative process is instrumental in ensuring the CAISO plans for its system reliably in support of the state-driven policies. If the Commission fails to affirm the important role of the RPS portfolios in the transmission

¹ ORA Opening Brief, p. 12.

planning process it will create significant uncertainty regarding the Commission's role in identifying and developing policy-driven transmission projects to meet state goals. If the CAISO cannot rely on RPS portfolios to make long-term policy-driven planning decisions, the CAISO and stakeholders will need to reconsider what, if any, role the portfolios will continue to play in the transmission planning process and what other factors the CAISO should consider instead. Given the time needed to develop the transmission plan, the time and resource's needed to ensure implementation of needed system improvements, the CAISO must plan its system in advance, and be able to rely on the Commission's retention of the requirements that drove the identification of the needed enhancements up front.

Ensuring some level of predictability in basic planning assumptions is important to achieve the state's RPS goals and provide clear signals to industry stakeholders regarding when and where capital should be invested. Such regulatory uncertainty, could compel investors to factor in additional costs to cover the added risk associated with the possibility that policy-driven projects do not materialize as expected or, worse, dissuade investors from investing in such projects at all. The Commission should affirm the role of the RPS portfolios as the fundamental basis for the CAISO's policy-driven transmission planning process and, as a result, approve the Proposed Project as necessary, and to meet the identified need for deliverability from the Riverside East and Imperial areas, as identified in the RPS portfolios. As described below, this collaborative process has resulted in the successful planning and development of important enhancements, which are crucial in furtherance of the State's environmental goals.

II. Discussion

A. ORA Misunderstands the Background and Purpose of the CAISO's Policy-Driven Transmission Planning Process.

ORA argues that the Commission should not approve the Proposed Project based on "the CAISO's study of FCDS" because "the CAISO's study of FCDS is simply based on the interconnection requests that include a box checked for FCDS."² This statement is incorrect. The CAISO's policy-driven transmission planning studies are not based interconnection requests from project developers, nor are they necessarily even a study of

² ORA Opening Brief, p. 20.

full capacity delivery service (FCDS). Instead, CAISO's analysis is designed to identify transmission solutions necessary to meet state policy requirements or directives.³ The Commission has communicated the state policy requirements through its annual submission of RPS portfolios for use in the CAISO's transmission planning process.

ORA's brief incorrectly states that the CAISO adopted the policy-driven transmission planning process as a part of "implementing [the] FERC Order 1000 transmission planning mandate."⁴ To the contrary, the CAISO submitted its policy-driven transmission planning tariff amendments in June 2010, a full year before FERC issued Order 1000.⁵ This error is telling because ORA fails to understand that the primary reason the CAISO instituted the policy-driven transmission planning process was to "enable *California* to meet its ambitious Renewable Portfolios Standards ("RPS") and environmental goals."⁶ The policy-driven transmission planning process pre-dates FERC Order 1000 because the CAISO, the Commission, and stakeholders understood that a coordinated effort would be required to meet the state's ambitious RPS goals, which were enacted well before FERC Order 1000.

B. The Commission Has Consistently Provided RPS Resource Portfolios that Require Full Deliverability for New Renewable Generation.

The Commission, through its consistent submission of RPS portfolios with fully deliverable renewable generation, made a policy decision to meet the RPS goals by pursuing deliverable renewable generation projects to meet the RPS requirements. The CAISO agrees with this decision, especially with regard to the original 33% RPS requirement, because it is consistent with how renewable projects have actually been financed, built, and contracted.

Providing full deliverability through policy-driven transmission solutions has been an effective means of driving new renewable generation to those areas where development is warranted, as is evidenced by the 5489.4 megawatts (MW) of renewable

³ CAISO Tariff Section 24.4.6.6 ("the CAISO shall evaluate transmission solutions needed to meet state, municipal, county or federal policy requirements or directives as specified in the Study Plan pursuant to Section 24.3.2(i).") Currently, the only policy directive for which the CAISO identifies policy-driven transmission projects is California's RPS goal.)

⁴ ORA Opening Brief, p. 7.

⁵ See FERC Order 1000, 136 FERC ¶ 61,051 (issued July 21, 2011).

⁶ See CAISO Tariff Amendment Filing for Revised Transmission Planning Process, FERC Docket No. ER10-1401, pp.1-4 (June 4, 2010)

generation and storage projects in the CAISO queue that are requesting deliverability through the Proposed Project.

ORA ignores the policy decision represented by the development and submission of RPS Calculator portfolios to the CAISO. ORA also ignores the consequences of changing that policy decision now, specifically the planning uncertainty it will cause for the CAISO and the stakeholder community. Instead, ORA suggests that an economic analysis of the Proposed Project must be conducted in order to prove that the Proposed Project is necessary.⁷ This conclusion is without support and clearly misunderstands the CAISO transmission planning process. The CAISO has separate tracks with separate standards, to approve policy-driven, economically-driven, and reliability-driven transmission projects. The purpose of the policy-driven transmission planning track is to identify projects necessary to meet state RPS requirements that might not otherwise be approved based solely on economic or reliability analyses. Requiring a full economic justification for every policy-driven transmission project defeats the purpose of having a policy-driven transmission planning process and is inconsistent with the CAISO tariff.

C. ORA Has Not Countered the CAISO's Finding of Need.

ORA has not substantively attempted to counter the CAISO's finding of need for the Proposed Project through an independent deliverability assessment.⁸ Instead, ORA incorrectly argues that RPS Calculator portfolios submitted in the 2012-13 and 2013-14 transmission plans did not identify the need for the Proposed Project,⁹ that the Commission-submitted RPS Calculator portfolio used in 2015-16 transmission planning process is outdated,¹⁰ and that a yet-to-be-finalized version of the RPS Calculator should be used to study the need for the Proposed Project.¹¹ These criticisms are internally incoherent, as they seem to suggest that CAISO should simultaneously (and

⁷ ORA Opening Brief, p. 21.

⁸ While ORA does not provide analysis that substantively addressed the CAISO's need finding, ORA suggests its true purpose is to subject the Proposed Project to the CAISO's competitive solicitation process. See ORA Opening Brief, p. 3 ("more importantly the proposed project would be subject to a competitive solicitation process" if it was reconsidered under current CAISO protocols.") Under the CAISO tariff, the Proposed Project would not be subject to the competitive solicitation process.

⁹ ORA Opening Brief, p. 27.

¹⁰ ORA Opening Brief, p. 28.

¹¹ ORA Opening Brief, p. 29-30.

inconsistently) plan to past, current, and future Commission-developed portfolios. Nonetheless, the CAISO addresses each of ORA's contentions below.

i. ORA Incorrectly Argues that RPS Calculator Version 6.1 Contradicts the Identified Need for the Proposed Project.

ORA claims that "future RPS portfolios are unlikely to show any need for the [Proposed Project]."¹² Specifically, ORA submits that RPS Calculator 6.1 "does not identify any need for the [Proposed Project]."¹³ First, much of the argument presented by ORA in Sections VI.A and VI.B is outside the record of this proceeding and the Commission should not consider these arguments in its decision.¹⁴

Putting aside this concern, ORA disregards the fact that the Commission has never relied upon RPS Calculator Version 6.1 to submit portfolios to the CAISO for use in the CAISO's policy-driven transmission planning.¹⁵ Indeed, as President Picker's most recent RPS portfolio submission letter indicated, RPS Calculator Version 6 was "not yet ready to inform the 2015-2016 [transmission planning process]."¹⁶

ORA witness Wagle provided unsubstantiated testimony that the Commission would use Version 6.2 of the RPS Calculator in the 2016-2017 transmission planning process, but this is based on complete speculation. As of today, the Commission has not submitted any RPS Calculator Version 6 portfolios to the CAISO to identify new policy-driven transmission planning projects. Even if the CPUC develops those portfolios for the next transmission planning cycle, the CAISO believes those new portfolios should inform transmission needs for incremental requirements to increase renewable penetration from 33% to the new 50% RPS goal – and there has been no indication to the contrary. The framework established to meet the 33% RPS goal should not be modified in any event.

If the Commission submits RPS portfolios using Version 6 of the calculator, the CAISO would then need to actually study any new portfolios before using them to

¹² ORA Opening Brief, p. 31.

¹³ ORA Opening Brief, p. 30.

¹⁴ See, for example, footnotes 65 and 67 which cite to Appendix A of the RPS Calculator User Guide version 6.1 and slides from a *December 9, 2015* workshop on the RPS Calculator. Neither of these items are in the evidentiary record for this proceeding.

¹⁵ Exhibit 11 (CAISO/Millar), p. 4:20-24.

¹⁶ Exhibit 39, p. 1.

approve new or modify planned transmission development. ORA conducted a back-of-the-napkin analysis of using the RPS Calculator Version 6 portfolios to make the assertion that the Proposed Project would not be triggered.¹⁷ This paragraph-long analysis is unsupported by technical data and, in any event, does not undermine the CAISO's detailed analysis of need for the Proposed Project which (1) has been reaffirmed in every transmission planning cycle dating back to 2010-11 through the current 2014-15 plan, (2) is based on Commission-submitted RPS portfolios, and (3) is justified with in-depth deliverability analysis that has been approved by the Commission.

ii. ORA Incorrectly Argues that the Commission-Submitted Portfolios for the 2014-15 and 2015-16 Transmission Plans Are Invalid.

ORA correctly notes that the CAISO used RPS Calculator Version 5 in its 2014-15 and 2015-16 transmission planning cycles to identify policy-driven transmission projects.¹⁸ These transmission planning cycles confirmed the continued need for the Proposed Project.¹⁹ ORA takes issue with the portfolios because they were primarily based upon the "commercial interest" criterion, which gives preference to projects with PPAs.²⁰ ORA fails to note that the Commission's transmittal letter directed the CAISO to use the commercial interest portfolio for the two most recent transmission planning cycles.²¹ ORA also ignores that commercial interest is one of the key criteria the CAISO must take into account under its tariff in identifying needed policy-driven transmission projects.²² Although ORA fundamentally disagrees with the Commission's selection of the commercial interest portfolio as the study case, it cannot simply substitute its preference in place of the explicit direction of the Commission or have the CAISO ignore the express requirements of its tariff.

In questioning the use of the commercial interest portfolio, ORA also claims that "some [PPAs] have been cancelled since the preparation of the portfolios."²³ However,

¹⁷ ORA Opening Brief, p. 31, footnote 72 (again citing evidence outside the record).

¹⁸ ORA Opening Brief, p. 28.

¹⁹ Exhibit 11 (CAISO/Millar), p. 5.

²⁰ ORA Opening Brief, p. 28.

²¹ Exhibit 39, p. 2.

²² CAISO tariff section 24.4.6.6. In identifying needed policy-driven transmission projects, the CAISO tariff also requires the CAISO to consider "the results and identified priorities of the California Public Utilities Commission or California Local Regulatory Authorities' resource planning processes." *Id.*

²³ ORA Opening Brief, p. 28.

ORA does not provide a citation to record evidence to support this claim, and it ignores the fact that over 5400 MW of renewable and storage resources have requested interconnection in the areas served by the Proposed Project.

iii. ORA Wrongly Suggests that the 2012-12 and 2013-14 RPS Calculator Portfolios Did Not Support the Need for the Proposed Project.

ORA suggests that the RPS portfolios used in the 2012-13 and 2013-14 transmission plans did “not identify Riverside East-1, *i.e.*, the [Proposed Project] to be triggered by the selected RPS resource portfolio.”²⁴ This assertion is misleading. As explained in the CAISO’s testimony, the Commission provides RPS Calculator portfolios annually to the CAISO to serve as the basis for the CAISO’s analysis of policy driven projects. The RPS Calculator looks at a variety of factors *in determining the optimal locations for new renewable energy resources.*²⁵ The RPS Calculator does not identify necessary transmission improvements to meet the portfolios, because identifying necessary policy-driven transmission improvements is the purpose of the CAISO’s transmission planning process and is the responsibility of the CAISO. The RPS Calculator portfolios are an important input into that process, but they do not substitute for the CAISO’s policy-driven transmission analysis or indicate what specific transmission facilities are needed.

Contrary to ORA’s assertion, the 2012-13 portfolios and the 2013-14 portfolios identified a need for the project based on resources located in both Riverside East *and the Imperial area*. ORA consistently ignores renewable development in the Imperial area in both its testimony and its brief, but the RPS portfolios delivered by the Commission clearly identify significant incremental renewable resources in the Imperial area. In fact, ORA’s own testimony shows that that the 2012-13 and 2013-14 portfolios identified 2125 MW and 1700 MW of potential renewable generation in the Imperial area.²⁶ Dr. Zhu pointed out ORA’s oversight on this matter during cross-examination, but ORA persists in ignoring the incremental portfolios resources in the Imperial area.²⁷ The

²⁴ ORA Opening Brief, p. 27-28.

²⁵ Exhibit 11 (CAISO/Millar), p. 5:26-27.

²⁶ Exhibit 15 (ORA/Wagle), p. 5.

²⁷ Tr. (CAISO/Zhu) at 270:25-271:13 (“So without West of Devers upgrades, there's no increase to the in part renewability from Imperial. And there's only 1400 megawatt additional deliverability from Riverside East. So you need to look at both load, Imperial and Riverside East. And by running those two load you can see that West of Devers upgrade were triggered in those years.”)

expected Imperial generation, in addition to the generation in the Riverside East and Palm Springs areas, drove the need for the Proposed Project in every planning cycle since 2010-11.

D. ORA Misrepresents the Processes by Which the Proposed Project Was Approved and Confirmed by the CAISO.

ORA takes great pains to explain the CAISO's generator interconnection process in which the Proposed Project was initially identified as necessary and the subsequent actions by the CAISO to confirm that the Proposed Project was needed based on RPS portfolio-driven transmission. ORA misconstrues the nature of these processes and the CAISO's actions in reviewing the Proposed Project as a policy-driven solution in the transmission planning process.

i. The Proposed Project Was Initially Identified as Necessary to Meet Generator Interconnection Needs.

ORA correctly asserts that the Proposed Project was initially identified to serve generator interconnection needs, but ORA errs in focusing on the need identified in the generator interconnection process in isolation from the need for the Proposed Project that the CAISO confirmed in the policy-driven transmission planning process. ORA also ignores that the CAISO's open access tariff framework allows generators to connect to CAISO system, with full deliverability, if they choose, as long as they satisfy the requirements of the CAISO's interconnection tariff provisions.²⁸ Regardless of that framework, it is important to note that in this case, the CAISO took the additional step of studying the Proposed Project under the policy-driven transmission planning process.

ii. Review of the Proposed Project in the Policy-Driven Transmission Planning Process was Appropriate, but Not Required.

ORA misunderstands the CAISO's reasons for studying the Proposed Project in the policy-driven transmission planning process. ORA correctly points out that the CAISO studied the Proposed Project as an option, not an assumed solution in the 2010-11 transmission plan.²⁹ The CAISO was not required to undertake this additional study, but it was appropriate to do so because of the size of the project and the key role of the

²⁸ CAISO Tariff Appendix DD generally provides the processes by which generators select deliverability status and the generator requirements to obtain such status.

²⁹ ORA Opening Brief, p. 6.

Riverside East and Imperial areas in developing new renewable resources to meet the RPS.

Notably, the CAISO specifically identified the Proposed Project in its 2010-2011 approved transmission plan as a necessary element to support California's RPS goals.³⁰ This finding was approved by the CAISO Board of Governors along with the remainder of the 2010-2011 transmission plan. On this basis, the CAISO represented in this proceeding that Proposed Project would have been approved as a policy-driven project if it had not already been identified as necessary under the generation interconnection process.³¹ It is not speculation that the Board of Governors would have approved the Proposed Project, had it not already been approved through the generator interconnection process. Instead, it is known, and has been known since 2011, that the CAISO identified the Proposed Project as necessary to meet the state's RPS goals.

E. ORA Provides No Support for Its Assertion that Transmission Costs Do Not Flow into the Commission's Least-Cost Best-Fit Analysis.

ORA cites to the Commission's Decision 03-06-071 in which the Commission considered how the cost of transmission network facilities are factored into the least-cost best-fit analysis when load serving entities (LSEs) rank RPS offers. That decision notes that "[r]egardless of whether an individual generator, all potential generators, or some other entity pays the upfront cost of new network facilities, 'least cost' requires that less-expensive generation options be pursued first."³² The CAISO agrees with this statement and has no reason to believe that the Commission deviated from this standard in approving the power purchase agreements that rely on the Proposed Project to achieve full deliverability. ORA provides no evidence to the contrary. ORA asserts that "since no costs have been assigned to the generators, the transmission costs do not flow into the [least-cost best-fit] analysis made by the LSEs in rank-ordering offers they receive."³³ This statement is puzzling because ORA provides no support, and the claim directly contradicts the Commission's established process as cited above. Whether the transmission costs are fronted by SCE or borne by the developers, costs should have been

³⁰ Exhibit 6 (CAISO/Zhu), p. 12.

³¹ Tr. (Millar), p. 218:9-11, 21-26.

³² ORA Opening Brief, p.18 (Citing D.03-06-071, p. 36).

³³ ORA Opening Brief, p. 18.

considered when the Commission approved the initial PPAs related to the transition cluster.

F. ORA Asserts Without Basis that the Updated Cost Estimate for the Proposed Project was Not Included in the Most Recently Analyzed RPS Portfolios.

At hearing, ORA questioned CAISO witness Neil Millar regarding the cost estimate for the Proposed Project used in RPS portfolios submitted for CAISO's 2015-16 transmission planning analysis. Mr. Millar testified that to the best of his knowledge, the cost estimate used in the most recently submitted RPS portfolios was consistent with the costs in the Draft Environmental Impact Report (EIR).³⁴ ORA asserts, without providing any supportive evidence, that Mr. Millar's statement was inaccurate.³⁵ Contrary to ORA's claims, the cost of the Proposed Project in the Commission submitted portfolios for the 2015-16 transmission planning process is consistent with the Draft EIR and current SCE estimates. Prior to the Commission submitting its RPS portfolios on April 29, 2015, the CAISO had updated the costs of the Proposed Project to \$955 million, consistent with the figures presented in this proceeding.

G. ORA Incorrectly Identifies the Incremental Transfer Capability Provided by the Proposed Project.

ORA indicates that the Proposed Project provides 950 MW of incremental deliverability based on the CAISO's response to an ORA data request.³⁶ ORA's claim is misleading because it omits incremental deliverability provided to projects connecting in the Imperial area, and it improperly assumes that the West of Devers Interim Upgrades (Interim Upgrades) can be maintained as a permanent solution to provide 1050 MW of deliverability from Riverside East.

Throughout this proceeding, ORA has failed to recognize that the Proposed Project allows for deliverability projects not only in the Riverside East area, but also the Imperial area. Based on studies performed in this proceeding, the CAISO found that the Proposed Project could accommodate 3017 MW of deliverability from Riverside East,

³⁴ Tr. (Millar) at 218:1-26.

³⁵ ORA Opening Brief, p. 19.

³⁶ ORA Opening Brief, p. 35.

1750 MW from the Imperial area with the potential to add an incremental 1700 MW in these areas.³⁷ This represents an approximate 1600 MW increase in deliverability from Riverside East and an approximate 950 MW increase from Imperial plus an additional 1700 MW that could come from the two areas.³⁸ The total increase in deliverability from Riverside East and the Imperial area is therefore approximately 4250 MW (1600 MW + 950 MW + 1700 MW) versus 1050 MW for the Interim Upgrades.

ORA also errs in assuming that the Interim Upgrades are a permanent solution to provide deliverability from Riverside East. The Interim Upgrades consist of both series reactors and an interim Special Protection System (SPS).³⁹ Contrary to ORA's assertions, Dr. Zhu did not dismiss the possibility of retaining these series reactors to maintain deliverability.⁴⁰ Instead, this option was eliminated because it relies on both series reactors and an excessively complex SPS scheme. The SPS currently monitors five transmission line flows and 14 different single or double contingencies. As structured, the SPS exceeds the CAISO Planning Guidelines governing SPS complexity.⁴¹ As a result, the CAISO can rely on the Interim Upgrades only to provide a short-term solution to bridge the deliverability gap until the Proposed Project comes online.

IV. Conclusion

ORA notes that the Commission's CPCN review should not be a "perfunctory process for approving projects that have gone through the CAISO's transmission planning process..."⁴² The CAISO agrees with this statement. As indicated by CAISO witness Neil Millar at hearings, the CPCN review process plays a key role in determining whether a project is needed to meet the policy requirements identified by the state,

³⁷ Exhibit 6 (CAISO/Zhu), p. 13:18-19; p. 17:7-10.

³⁸ Without the Proposed Project or the Interim Upgrades, deliverability from Riverside East is limited to 1400 MW. Deliverability from Imperial is limited to 800 MW. See Exhibit 28, p. 8, CAISO Response to No. 5.1.1 for current Riverside East deliverability. See also, RPS Calculator, TxInput-v4 tab for current Imperial area deliverability (<http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=8635>).

³⁹ Tr. (Zhu), p. 265:1-2.

⁴⁰ Tr. (Zhu), p. 264:20-24. (Dr. Zhu stated that she was not aware of series reactors used as permanent mitigation in the transmission planning cycles she participated in. Dr. Zhu also noted that the Interim Upgrades consist of an SPS in addition to series reactors.)

⁴¹ CAISO Planning Standards require an SPS to be "simple and manageable." There should be no more than six local contingencies that would trigger the SPS and the SPS should monitor no more than four system elements or variables.

⁴² ORA Opening Brief, p. 4.

namely the RPS goals.⁴³ CPCN review is also critical to determining whether environmentally or economically superior options may meet the identified policy goals.

ORA, however, has asserted that the CPCN review must be taken a step farther, to review, and ultimately reject, the fundamental policy planning assumptions embodied in the Commission-developed RPS portfolios. ORA presents no compelling reason to reconsider the RPS portfolios, but rather speculates regarding future portfolios the Commission may submit in the future. Even in this regard, ORA fails to observe the critical distinction between the consistent submission of fully deliverable portfolios to meet the 33% RPS versus the yet to be determined potential policy for energy-only portfolios to meet the incremental needs to move from 33% RPS to 50% RPS.

ORA would have the Commission ignore the framework developed collaboratively by the Commission, the CAISO, and stakeholders to meet the 33% RPS requirements. Rejecting this framework will have impacts that cannot be confined to the Proposed Project or the renewable projects relying on it for deliverability. Rather, it will raise fundamental questions on how the transmission system should be planned going forward to meet the state's RPS goals and the Commission's role in that process. Further, it will increase uncertainty for renewable developers seeking to build cost-effective, competitive projects.

ORA provides no support for the EIR Phased Build Alternative in its Opening Brief. The record lacks any firm support for the cost or feasibility of the Phased Build Alternative. The Commission should not select the Phased Build Alternative based on the sparse evidentiary record, especially in light of the limitations identified in the CAISO's deliverability analysis of that alternative. The Phased Build Alternative was at the limit of its capacity in providing deliverability to RPS portfolios which presents a significant risk that the Phased Build Alternative may not prove adequate to meeting the deliverability need. Any small changes in study assumptions, such as local load levels, imports from outside balancing authority areas or area generation could cause the Phased Build Alternative to overload. The nature of long-term transmission planning dictates that actual conditions will vary from assumptions. The Phased Build Alternative provides little room for error, which could result in expediting the second phase of the

⁴³ Tr. (Millar) at 255:6-13.

project to meet the state's RPS goals and ultimately higher costs and environmental impacts than the Proposed Project.

The CAISO recommends that the Commission reaffirm the existing processes for reliably and effectively planning for the state's RPS goals. The CAISO hopes to continue working with the Commission to refine these processes to ensure that the most cost effective and beneficial resources are identified, procured and developed. With these goals in mind, the CAISO recommends that the Commission approve the Proposed Project as necessary and effective to meet the RPS goals.

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

Folsom, CA 95630

Tel.: (916) 351-4429

Fax: (916) 608-7222

jpjuv@caiso.com

Attorneys for the California Independent
System Operator Corporation

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