

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

In the Matter of the Application of SOUTHERN)	
CALIFORNIA EDISON COMPANY (U 338-E))	A.13-10-020
for a Certificate of Public Convenience and)	
Necessity for the West of Devers Upgrade Project)	(Filed October 25, 2013)
and for an Interim Decision Approving the)	
Proposed Transaction Between Southern)	
California Edison Company and Morongo)	
Transmission LLC.)	

**SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) AND
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR'S**

NOTICE OF *EX PARTE* COMMUNICATION

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Dated: **January 29, 2016**

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**SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) AND THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR’S NOTICE OF *EX PARTE* COMMUNICATION**

Pursuant to Rule 8.3 of the California Public Utilities Commission (CPUC or Commission) Rules of Practice and Procedure, Southern California Edison Company (SCE) and the California Independent System Operator (CAISO) hereby gives notice of their *ex parte* communications.

On January 27, 2016, the CAISO and SCE conducted three meetings with the following individuals: (1) Commissioner Carla J. Peterman (9:00 a.m. to 9:30 a.m.), (2) Commissioner Liane M. Randolph, Rachel Peterson, Leuwam Tesfai, Sean Simon (advisors to Commissioner Randolph) (1:00 p.m. to 1:20 p.m.); and (3) Commissioner Mike Florio and Matthew Tisdale (advisor to Commissioner Florio) (2:00 p.m. to 2:35 p.m.). The meetings were conducted in person at the CPUC Building, located at 505 Van Ness, San Francisco, California. A copy of the presentation is attached hereto as Attachment A. In attendance from SCE was Pedro Pizarro, President, Laura Genao, Director, CPUC Regulatory Affairs and Ryan Stevenson, Principal Advisor, Regulatory Affairs Infrastructure Licensing. In attendance from the CAISO was Stephen Berberich, President and Chief Executive Officer and Keith E Casey, Vice President of Market and Infrastructure Development.

During the meetings, SCE updated the participants regarding the status of the West of Devers Upgrade Project (WOD Upgrade Project or Proposed Project) proceeding. SCE expressed concerns with the Final Environmental Impact Report (FEIR) issued by the CPUC, including concerns about the reduced capacity of the Phased Build Alternative and the increased environmental impacts of construction of multiple phases of the Phased Build Alternative. SCE also discussed the importance of the agreements with the Morongo Tribe and Morongo Transmission and how if either the Proposed Transaction or the Proposed Project is not approved that the Morongo Tribe have the contractual right to terminate the 50-year right-of-way agreement. SCE also informed the CPUC that it would seek an alternate decision approving SCE's Proposed Project if the Proposed Decision approved the Phased Build Alternative. The CAISO explained how the Phased Build Alternative as identified in the FEIR did not take into account the renewable portfolios provided by the CPUC to the CAISO and expressed concerns with the reduced capacity of the Phased Build Alternative to meet the State's clean energy goals. The CAISO also discussed how retroactively changing the renewable portfolios provided by the CPUC would result in stakeholder uncertainty and could potentially chill development of new resources.

Additionally, after the conclusion of the meeting with Commissioner Randolph and her advisors, SCE had an ex parte communication with Rachel Peterson (advisor to Commissioner Randolph) (1:40 p.m. to 1:43 p.m.). Laura Genao and Ryan Stevenson from SCE telephoned Ms. Peterson to correct a statement that the Phased Build Alternative would require a minimum wire stringing angle of 3:1 whereas the Proposed Project would require a minimum wire stringing angle of 2:1, as opposed to a disturbance impact of 3:1 for the Phased Build Alternative.

Respectfully submitted,

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/s/ Rebecca Austin Furman

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Attachment A

West of Devers Upgrade Project

Briefing Document

January 2016

Summary

- Proposed Project is needed to interconnect and provide deliverability to renewable generation to meet the State's clean energy goals
- Approval of the Proposed Transaction is critical for the continued use of the existing facilities and construction of the Proposed Project across the Morongo Reservation
- Energy Division's FEIR finds a Phased Build Alternative (PBA) that utilizes a portion of the existing 220 kV structures and a composite core conductor with lower capacity as environmental preferred
- Proposed Project is supported by all parties to the proceeding except ORA—which proposed the application be dismissed and the project re-studied
- SCE asks the CPUC to reject ORA's recommendation and the FEIR's PBA and approve the Proposed Project

FEIR Conclusion is Based on Incorrect Assumptions

- FEIR concludes a smaller project is justified based on the establishment of a minimum targeted capability / deliverability level
- FEIR methodology used to assess need for the project was inadequate
 - Did not use the Commission-developed renewable portfolios relied upon in CAISO's transmission planning process
 - Inappropriately applied a Reliability base case to assess RPS and Deliverability needs
 - Failed to analyze the future phase of the PBA despite concluding a future 500 kV T/L in the WOD corridor is foreseeable
- PBA lacks scope definition, is more difficult to build, has environmental impacts that were not adequately analyzed or were dismissed in the FEIR and certain elements cannot be constructed without multiple line outages
- PBA has critical flaws including lower transfer capability / deliverability, inability to meet the State's clean energy goals, and ultimately higher environmental impacts and costs when compared to the Proposed Project

SCE's Proposed Project is Superior than the PBA

- Proposed Project provides greater transfer capability / deliverability
- Proposed Project reduces environmental impacts by providing for a single coordinated construction effort versus remobilizing construction efforts multiple times over subsequent phases
- Proposed Project best positions the State to meet the increased 50% RPS goals and increased GHG reduction goals
- Proposed Project provides for the earliest in service date; PBA would delay the in-service date by at least 12 months
- Proposed Project limits double-line outages to less than 24 hours in duration whereas PBA would require multiple-line outages of up to 6 months in duration resulting in generator curtailment and economic loss

Proposed Project is More Cost Effective

Description	Proposed Project	Phased Build Alternative (Phase 1)	Phased Build Alternative (Phase 2)	Phased Build Alternative (Phase 1 & 2)
Construction Cost (Constant 2015\$ millions) ¹	\$992	\$887	\$726	\$1,613
In Service Date ²	2021	2022	2029	2022 / 2029
Level of Engineering	Detailed	Preliminary / Conceptual	Preliminary / Conceptual	Preliminary / Conceptual
Incremental Transfer Capability (MW)	3,200	1,400	1,800	3,200
Present Value of Revenue Requirements (Nominal \$ millions)	\$975	\$907	\$304	\$1,211
PVRR / MW (Nominal \$)	\$304,688	\$647,857	\$168,889	\$378,438

1 – PBA estimated construction cost only includes 15% contingency (same as Proposed Project). SCE requests a 10% adder to the Maximum Cost if the PBA is selected due to conceptual design information.

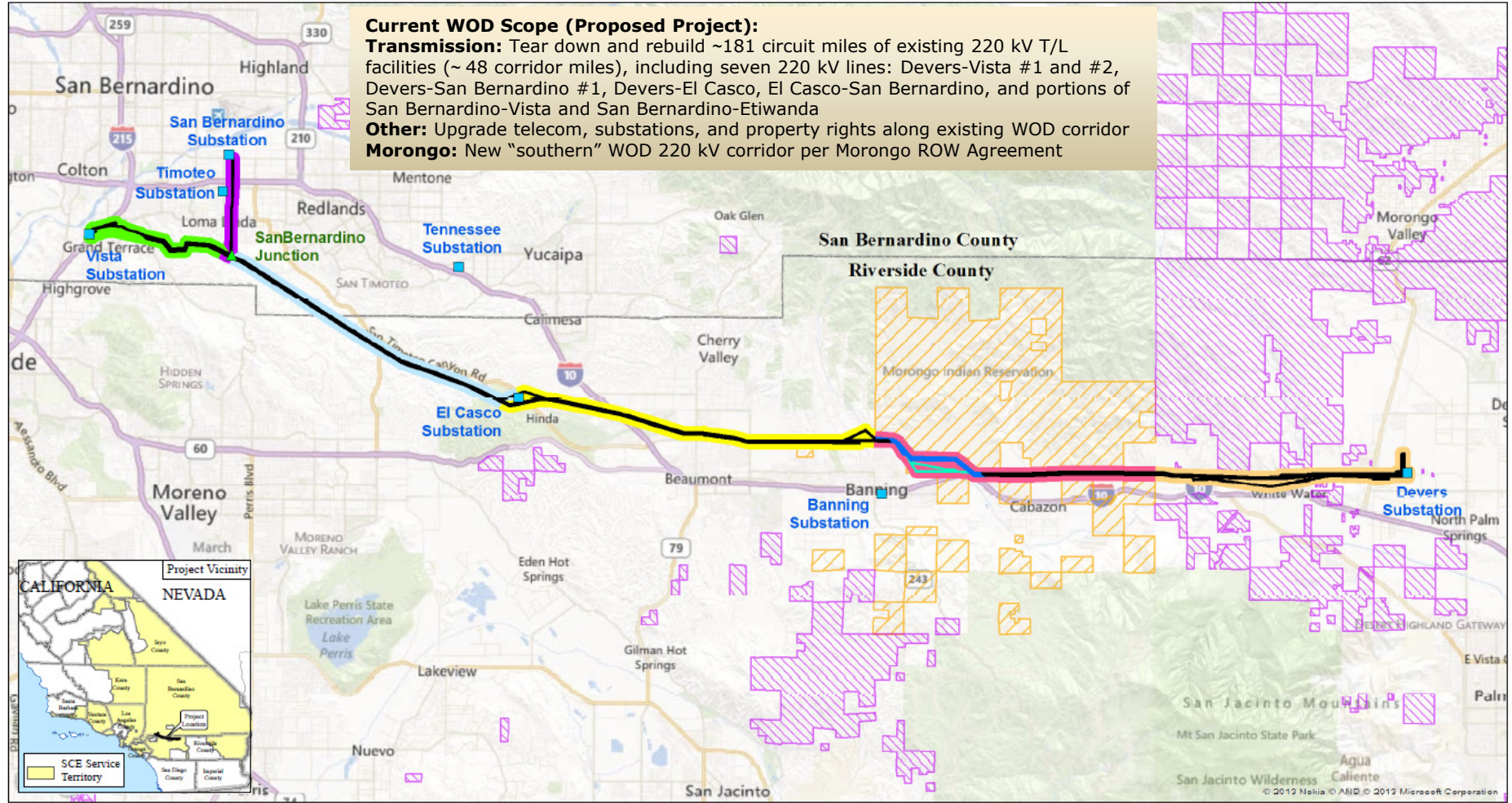
2 – FEIR identification of 2024/2025 as the possible period when a subsequent phase (“Phase 2”) of the PBA may be needed to be in service is not feasible per regulatory and construction constraints.

In Conclusion, SCE Asks the Commission to:

- Approve the Proposed Project and find the FEIR's PBA infeasible on policy, regulatory, economic, environmental and legal grounds
- Approve the Proposed Transaction to allow tribal investment and facilitate SCE's continued use of the transmission ROW that traverses the Morongo Reservation
 - If the FEIR's PBA is adopted, Morongo have a right to terminate the ROW Agreement
- Reject ORA's suggestion to start over
 - FEIR properly rejects the No Project Alternative

Back Up

Project Map



Current WOD Scope (Proposed Project):
Transmission: Tear down and rebuild ~181 circuit miles of existing 220 kV T/L facilities (~ 48 corridor miles), including seven 220 kV lines: Devers-Vista #1 and #2, Devers-San Bernardino #1, Devers-El Casco, El Casco-San Bernardino, and portions of San Bernardino-Vista and San Bernardino-Etiwanda
Other: Upgrade telecom, substations, and property rights along existing WOD corridor
Morongo: New "southern" WOD 220 kV corridor per Morongo ROW Agreement



LEGEND

Existing Transmission Line Right of Way	Segment 1	U.S. Bureau of Land Management
Existing Transmission Line Right of Way to be Removed	Segment 2	Morongo Reservation
Proposed and Alternative Transmission Line Right of Ways	Segment 3	
Substations	Segment 4	
Junctions	Segment 5	
	Segment 6	

SOURCE: Bing Maps (c. 2008); BLM (2012); BIA (2012); SCE (2012, 2013)
 I:\SCE1110\GIS\MXD\ProjectArea_11x17.mxd (10/9/2013)

FIGURE 3.1-3

Southern California Edison
 West of Devers Upgrade Project
 Transmission Line Route Description

Purpose and Need

- Existing facilities in the WOD corridor are fully subscribed
 - Proposed Project will increase transfer capability from 1,600 MW to 4,800 MW
- CAISO 2010 studies first identified that the WOD Upgrade Project was required for renewable resources in eastern Riverside County to achieve Full Capacity Deliverability Status
 - 6,090 MW currently in Queue
- Facilitate compliance with CA RPS goals
 - Since the 2010-2011 transmission planning cycle, each TPP has confirmed the WOD Upgrade Project as a policy-driven project to support the 33% RPS goal
 - 50% RPS goal further accentuates the Need for the Proposed Project
- Provide sufficient downstream transfer capability to enable CAISO to increase the Maximum Import Capability from the Imperial Irrigation District's area
- Comply with NERC, WECC and CAISO transmission reliability planning standards
- Support CA GHG reduction program, Federal energy renewable goals, Desert Renewable Energy Conservation Plan and CA Energy Commission Integrated Energy Policy Report goals
- Support power flow increase associated with the Delaney-Colorado River 500 kV Transmission Project

SCE-Morongongo Agreements

■ ROW

- 50-year Grant of Easement between SCE and Morongongo for existing and upgraded electric/telecommunication facilities
- \$6.5M per year, \$500K increase every 5 years
- DOI Approved in Dec. 2013
- Subject to termination by Morongongo if Proposed Transaction is not approved by FERC and CPUC

■ DCA

- Provides Morongongo Transmission with an option to lease a portion of the transfer capability of the WOD Upgrade Project’s transmission facilities
- Investment option up to \$400 million or 50% of estimated transmission cost
- Transmission lease option comes available at time of commercial operation (2020)
- Morongongo Transmission to become Participating Transmission Owner (PTO) and dedicate transfer capability to CAISO
- FERC approved joint 203 application in Sept. 2013
- FERC approved Morongongo Transmission’s hypothetical capital structure and 30-year levelized fixed rate of recovery of capital requirements request in Aug. 2014

Proposed Transaction

■ Lease

- 30-year lease of a portion of the transfer capability
- SCE owns and maintains the assets
- Morongongo Transmission to pay its proportionate share of operating costs

Milestone Status

- Completed Milestones:
 - Oct. 2013 – CPCN Application Filed at CPUC
 - Mar. 2014 – Plan of Development submitted to BLM
 - July 2014 – CPUC and BLM Scoping processes completed
 - Aug. 2014 – Refined Engineering completed
 - Mar. 2015 – CPCN Pre-hearing Conference completed
 - Aug. 2015 – Draft EIR/EIS issued
 - Nov./Dec. 2015 – CPCN Hearings completed
 - Dec. 2015 – FEIR issued
 - Jan. 2016 – CPCN Opening Briefs
- Upcoming Milestones:
 - Jan. 2016 – CPCN Reply Briefs
 - Q1/Q2 2016 – FEIS issued
 - Q1/Q2 2016 – CPCN ALJ Proposed Decision
 - Q2 2016 – CPCN Final Decision
 - Q3/Q4 2016 – USFW Biological Opinion (Per selection of the Proposed Project)
 - Q4 2016 – BLM ROD (Per selection of the Proposed Project)
 - Q1/Q2 2017 – Construction start (Per selection of Proposed Project)
 - Q3 2021 – In-Service (Per selection of Proposed Project)