

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Russell City Energy Company, LLC

Docket No. ER19-2800-000

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION AND PACIFIC GAS AND ELECTRIC COMPANY
IN SUPPORT OF JOINT OFFER OF SETTLEMENT**

**To: The Honorable Suzanne Krolkowski
Presiding Settlement Judge**

In accordance with the Presiding Settlement Judge's November 22, 2019 Order and Rule 602 (f) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602(f), the California Independent System Operator Corporation ("CAISO") and Pacific Gas and Electric Company ("PG&E") hereby file these brief comments in support of the November 21, 2019 Joint Offer of Settlement ("Settlement"). The CAISO and PG&E are Signatory Parties to the Settlement with Russell City Energy Company, LLC ("Russell City"). The CAISO and PG&E wish to emphasize the need for additional black start capability in the San Francisco Bay Area, and the urgent need for prompt certification and approval of the Settlement to allow Russell City to commence construction of its black start facilities within the limited planned outage periods in 2020. In this respect, the CAISO and PG&E greatly appreciate the steps that the Settlement Judge and FERC Trial Staff have taken to expedite their review of this matter.

The CAISO and PG&E highlight the following material raised in the CAISO's October 3, 2019 comments:

Additional black start capability is necessary to ensure service restoration times

in the San Francisco Bay Area during a black start event are reasonably consistent with that of other major population centers in California. Currently, the restoration times in San Francisco Bay Area are approximately twice as long as in the Los Angeles and San Diego areas. Obtaining black start service from RCEC [Russell City] will dramatically reduce the time to restore service in the event of a widespread system outage.¹

The CAISO and PG&E's current system restoration plans for the San Francisco Bay Area rely on black start capability from distant facilities on PG&E's hydroelectric system. If a widespread system outage were to occur that requires implementing a black start procedure in compliance with NERC mandatory reliability standards, the CAISO would need black start capability to restart other generation and restore power to the grid. Restoring generation and load requires a controlled process that balances the addition of generation with the addition of load. This process takes a longer time if a black start resource is located remotely from other resources and loads. In the case of the San Francisco Bay Area, the restoration process requires additional facilities to be restored prior to energizing a 230 kV electric bus on the backbone 230 kV substation loop within the San Francisco Bay Area. By securing black start capability closer to this 230 kV substation loop (e.g., RCEC), the CAISO and PG&E will greatly improve system restoration times in the San Francisco Bay Area so they are comparable with other major metropolitan areas within the CAISO system. Any event that requires the CAISO to implement a black start procedure to restore load in the San Francisco Bay Area would have an exceedingly high, adverse impact on public safety and welfare. Reducing the amount of time needed to restore the electric system under these conditions would save lives and property and mitigate the potential for catastrophic economic disruption within the San Francisco Bay Area and Northern California as a whole.²

The CAISO and PG&E also emphasize Recital N of the Joint Offer of Settlement:

The Parties have agreed that, because of the urgent need to bring black start service online in the San Francisco Bay Area and, therefore, to commence construction of the battery energy storage system to enable its installation and testing during CAISO-approved outage periods in the Spring and Autumn of 2020, time is of the essence for achieving Commission approval of the Settlement. The Parties are seeking expedited certification and approval of the Settlement in order to provide certainty as to the future recovery of the capital investment costs under the Agreement prior to the date by which Russell City must make its investment commitment to third party contractors (through the issuance of a contractual notice to proceed) for the construction and installation of the battery energy storage system under the Agreement.

¹ California Independent System Operator, *Motion to Intervene and Comments of the California Independent System Operator Corporation*, ER19-2800, October 3, 2019, p. 5.

² *Id.* at pp. 5-6.

The CAISO and PG&E respectfully request that the Presiding Settlement Judge certify the Settlement and the Commission approve the settlement by no later than December 9, 2019, as specified in the Offer of Settlement.

Respectfully submitted,

By: /s/ Keith T. Sampson

Keith T. Sampson
PACIFIC GAS AND ELECTRIC COMPANY
Law Department
77 Beale Street, B30A
Post Office Box 7442
San Francisco, CA 94120
Telephone: (415) 973-5443
Facsimile: (415) 973-5520
E-mail: kts1@pge.com

By: /s/ Andrew Ulmer

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Andrew Ulmer
Director, Federal Regulatory Affairs
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7209
Fax: (916) 608-7222
aulmer@caiso.com

Dated: November 25, 2019

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 25th day of November 2019.

/s/ Anna Pascuzzo
Anna Pascuzzo