

**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: Eldorado-  
Lugo-Mohave Series Capacitor Project.

Application 18-05-007

**RESPONSE OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO  
WILD TREE FOUNDATION'S APPLICATION FOR REHEARING**

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Pursuant to Rule 16.1 of the Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits this response to Wild Tree Foundation’s (WTF’s) application for rehearing (Application) of Decision (D.) 20-08-032 (Decision). The Decision approved Southern California Edison Company’s (SCE) application for a certificate of public convenience and necessity (CPCN) to construct the Eldorado-Lugo-Mohave Series Capacity Project (ELM Project). WTF’s Application merely reiterates factual and legal arguments the Commission previously considered and rejected in the Decision. The Application fails to identify grounds on which the Decision is unlawful or erroneous. Thus, the Commission should reject the Application and affirm its Decision.

**I. INTRODUCTION**

WTF’s Application alleges the Commission’s Decision to approve a CPCN for the ELM Project suffers from numerous factual and legal errors. In this response, the CAISO addresses WTF’s claims the Decision (1) provides inadequate factual support for its finding that the ELM Project serves the public convenience and necessity and (2) commits legal error by failing to consider non-transmission alternatives consistent with Public Utilities Code Section 1001, et seq.

Contrary to WTF’s assertions regarding the factual basis for the Decision, the Decision provides a sound and accurate factual basis for determining the ELM Project serves the public convenience and necessity. The Decision finds the ELM Project will (1) increase capacity on

the Eldorado, Lugo, and Mohave transmission lines,<sup>1</sup> (2) allow renewable resources in the Commission’s most recent renewable portfolio standard (RPS) portfolio to achieve full capacity deliverability status (FCDS),<sup>2</sup> (3) support load-serving entities’ abilities to procure new resource adequacy (RA) resources,<sup>3</sup> and (4) help the state meet its RPS goals.<sup>4</sup>

In large part, the Decision bases these factual findings on the CAISO’s updated transmission planning analysis—performed during the pendency of the instant proceeding—to determine the continuing need for the ELM Project.<sup>5</sup> Notably, WTF’s Application fails to recognize the Decision relies on the CAISO’s updated analysis to support its factual findings. WTF’s Application identifies no factual errors in the Decision because it fails to mention the CAISO’s updated analysis—the primary basis for the Decision’s factual findings. Instead, WTF narrowly focuses on the CAISO’s 2012-2013 and 2013-2014 transmission planning process analyses to argue the ELM Project is no longer necessary. Neither the Commission nor the underlying CAISO testimony rely on these outdated analyses to justify the ongoing need for the ELM Project. Rather than asserting factual error, WTF’s Application seeks to have the Commission reweigh the evidence in the record and reach a different conclusion.

WTF’s claims regarding legal error are similarly misplaced. WTF asserts the Decision fails to consider “cost-effective alternatives to transmission facilities that meet the need” addressed by the ELM Project, as required by Public Utilities Code Section 1002.3. However, as the Decision explains, the Commission considered alternatives thoroughly and in several forums, including its annual RPS portfolio development process. Furthermore, Section 1002.3 does not require the Commission to consider alternatives that are infeasible on their face, including the “demand side alternatives” referenced in WTF’s Application.

## **II. DISCUSSION**

### **A. WTF’s Application Fails to Identify Factual Errors in the Decision’s Needs Analysis.**

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<sup>1</sup> Decision, p. 9-10.

<sup>2</sup> Decision, p. 10-13.

<sup>3</sup> Decision, p. 13-17.

<sup>4</sup> Decision, p. 17-20.

<sup>5</sup> *See, in particular*, Exhibit CAISO-01, the prepared direct testimony of Sushant Barave on behalf of the CAISO and Exhibit CAISO-03, the rebuttal testimony of Sushant Barave on behalf of the CAISO. Mr. Barave’s testimony provides the CAISO’s updated needs analysis for the ELM Project based on the most up-to-date resource portfolios at the time the testimony was prepared.

The Decision identifies four independent grounds on which the ELM Project serves public convenience and necessity. Specifically, the Decision finds the ELM Project will (1) increase capacity on the Eldorado, Lugo, and Mohave transmission lines,<sup>6</sup> (2) allow renewable resources in the Commission’s most recent renewable portfolio standard (RPS) portfolio to achieve full capacity deliverability status (FCDS),<sup>7</sup> (3) support load-serving entities’ abilities to procure new RA resources,<sup>8</sup> and (4) help the state meet its RPS goals.<sup>9</sup> The Decision relies on the CAISO’s updated analysis of the need for the ELM Project to support these findings. WTF’s Application does not allege the CAISO’s updated analysis contains factual errors, nor does it allege the Decision improperly relies on the CAISO’s analysis. Indeed, WTF’s Application fails to mention the CAISO’s updated analysis at all, even though the Decision references this analysis and the CAISO’s testimony no less than 22 times to support its public convenience and necessity findings.<sup>10</sup>

Rather than demonstrate the inaccuracy of the facts underlying the Decision’s findings, WTF refers to the CAISO’s 2012-2013 and 2013-2014 transmission planning process analyses to argue that the ELM Project is no longer necessary. Neither the Commission nor the underlying CAISO testimony rely on these analyses to justify the ongoing need for the ELM Project. Rather than asserting factual error, WTF’s Application seeks to have the Commission reweigh the evidence in the record and reach a different conclusion. The Commission’s Rules of Practice and Procedure provide that the “purpose of an application for rehearing is to alert the Commission to a legal error, so the Commission may correct it expeditiously,”<sup>11</sup> it is not an opportunity to reweigh evidence previously considered and rejected. WTF’s Applications fails, on its face, to identify any errors in the Decision and therefore should be rejected.

**B. WTF’s Application Misunderstands Purpose of the ELM Project.**

WTF states the ELM Project is unnecessary to meet RPS requirements. WTF specifically argues that “SCE requires no procurement through 2030 and that no out of state

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<sup>6</sup> Decision, p. 9-10.

<sup>7</sup> Decision, p. 10-13.

<sup>8</sup> Decision, p. 13-17.

<sup>9</sup> Decision, p. 17-20.

<sup>10</sup> The Decision refers to CAISO testimony 22 times in Section 4.2.

<sup>11</sup> Rule 16.1(c).

resources need be procured through 2030.”<sup>12</sup> The Decision properly recognizes the ELM Project is not designed to serve SCE’s individual needs as a load-serving entity, but rather is necessary “to support the requested FCDS for the resources identified in the latest Commission-developed RPS portfolio.”<sup>13</sup> The CAISO identifies policy-driven transmission projects to meet the needs based on the Commission-developed RPS portfolios, not to meet any individual load-serving entity’s RPS requirements.

The Commission has previously acknowledged the need for transmission solutions to meet the state’s policy goals as represented by the Commission-developed RPS portfolios. Specifically, the Commission found transmission solutions are necessary “to facilitate deliverability for renewable energy resources identified in the Commission’s renewable portfolios.”<sup>14</sup> In reaching this conclusion, the Commission found it is appropriate for the CAISO to rely upon RPS generation portfolios developed in the Commission’s resource planning proceedings, as contemplated under a May 13, 2010, Memorandum of Understanding (RPS Planning MOU) between the Commission and the CAISO.<sup>15</sup>

Consistent with RPS Planning MOU and previous Commission decisions, the CAISO identified the need for the ELM Project based on its Federal Energy Regulatory Commission (FERC) approved policy-driven planning assessment.<sup>16</sup> The CAISO subsequently updated its policy-driven transmission planning analysis for this proceeding and confirmed the ELM Project remains necessary to meet the state’s public policy goals. Specifically, the CAISO assessed whether existing transmission capacity could provide deliverability to the resources identified in the most recent Commission-developed RPS portfolios.<sup>17</sup> The CAISO’s power flow analysis identified overloads on the Marketplace–Adelanto 500 kV line and the Lugo–Victorville 500 kV line without the Proposed Project and the associated improvements to the Lugo-Victorville 500

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<sup>12</sup> WTF Application, p. 6.

<sup>13</sup> Decision, p. 12.

<sup>14</sup> *In the Matter of the Application of S. California Edison Co. (U 338-e) for A Certificate of Pub. Convenience & Necessity for the W. of Devers Upgrade Project & for an Interim Decision Approving the Proposed Transaction Between S. California Edison & Morongo Transmission LLC.*, No. 13-10-020, 2016 WL 4699448, at p. 7 (Aug. 18, 2016).

<sup>15</sup> *Id.* at p. 7.

<sup>16</sup> The CAISO notes that it initially identified the need for both components of the Proposed Project based on its Phase II generator interconnection process.

<sup>17</sup> Specifically, the CAISO assessed the transmission system using the Commission-developed RPS portfolios provided for the 2019-2020 transmission planning process.

kV line upgrades.<sup>18</sup> This means that without the ELM Project, the Commission-developed RPS portfolios would not be fully deliverable. The CAISO’s deliverability assessment confirmed the need for the ELM Project to reduce the loop flow through neighboring systems and to make the most recent Commission-developed RPS portfolio deliverable.

**C. WTF Fails to Establish the Relevance of its Claim that the CAISO’s 2012-2013 and 2013-2014 Transmission Planning Process Analyses Are Obsolete.**

WTF’s Application asserts the CAISO’s 2012-2013 and 2013-2014 transmission planning processes analyses of the ELM Project are simultaneously (1) obsolete<sup>19</sup> and (2) evidence that the ELM Project is not necessary.<sup>20</sup> In addition to being logically inconsistent, these claims fail to recognize both the Decision and the CAISO’s underlying testimony rely on updated transmission planning analysis—using up-to-date resource and load assumptions—to establish the need for the ELM Project. The CAISO presented information regarding the 2012-2013 and 2013-2014 transmission planning processes simply to provide the Commission and parties with historical information regarding how the CAISO initially identified the need for the ELM Project. The Decision properly relies on the CAISO’s updated analysis to determine the ELM Project serves the public convenience and necessity.

**D. WTF Erroneously Asserts the Commission Failed to Address Cal Advocates’ Motion to Set Aside Submission and Reopen the Record.**

WTF’s Application incorrectly states the “Commissions [sic] approved a decision without even addressing the [Cal Advocates] motions”<sup>21</sup> to set aside submission and reopen the record. Again, WTF misunderstands or misrepresents the Decision, which clearly rejected Cal Advocates’ motions for substantive and procedural reasons.<sup>22</sup> WTF claims that a favorable ruling on Cal Advocates’ motions “would accurately reflect the process by which FCDS is granted, a critical issue in this case.”<sup>23</sup> However, as the Decision rightly explained,

The new methodology was already known and is part of the record, has been available for argument, and was the subject of argument. A considerable portion of Cal Advocates’ briefing,

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<sup>18</sup> As the CAISO explained in testimony, the Lugo-Victorville 500 kV line upgrades are a joint project between the CAISO and LADWP. The Lugo-Victorville 500 kV line upgrades are unlikely to be completed if the Proposed Project is not built. Barave Opening Testimony 7:24-8-4.

<sup>19</sup> WTF Application, p. 10.

<sup>20</sup> Id. at p. 10-11.

<sup>21</sup> WTF Application, pp. 8-9.

<sup>22</sup> Decision, pp. 39-42.

<sup>23</sup> WTF Application, p. 8.

testimony, and time spent in its cross-examination of CAISO's witness at the evidentiary hearing was specifically focused on discussion of the new methodology. However, despite that Cal Advocates had every opportunity to argue every aspect of the new methodology, Cal Advocates failed to identify the new methodology (as noted in the decision at page 15), and thus in its pre-submittal arguments it had failed to explore the new methodology and explain its implications for the ELM Project.<sup>24</sup>

In addition, the Decision noted the CAISO explained that counter-balancing aspects of the new deliverability methodology "would actually increase the likely need for transmission upgrades."<sup>25</sup> Thus, the Decision properly dismissed Cal Advocates' motions in the Decision.

**E. WTF Incorrectly Claims that the Commission Failed to Consider Alternatives Consistent with Public Utilities Code Section 1002.3.**

WTF claims the Commission failed to consider "non-transmission alternatives" within the scope of this proceeding, inconsistent with Public Utilities Code Section 1002.3 and 1005.1.<sup>26</sup> Those sections require the Commission to consider cost-effective alternatives to transmission facilities, such as distributed generation or battery storage, before issuing a CPCN. The CAISO notes the Commission fully considered all alternatives, including distributed generation and battery storage, in selecting the RPS portfolios that drove the need for the Proposed Project. The Commission conducts an Integrated Resource Planning process that establishes new RPS portfolios on a yearly basis. Based on those Commission-developed RPS portfolios, the CAISO identifies policy-based transmission needs. The CAISO identified a need for the ELM Project to provide deliverability to the generation resources identified in the Commission-developed RPS portfolios and confirmed the need based on updated RPS portfolios. The mitigated negative declaration for the ELM Project specifically notes that one project objective is to "[i]ntegrate planned generation resources in order for those facilities to become fully deliverable."<sup>27</sup> Alternatives such as distributed generation and battery storage cannot independently integrate the planned generation resources in the RPS portfolios and, as a result, are infeasible on their face.

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<sup>24</sup> Decision, p. 39.

<sup>25</sup> Decision, p. 41.

<sup>26</sup> WTF Application, p 13.

<sup>27</sup> Exhibit SCE-3, (Mitigated Negative Declaration), pp. 1-2.



In similar circumstances, the Commission previously found it consistent with the CPCN statutes to approve a policy-driven project and reject “non-wires alternatives” because they “would fail to meet one of the primary...one of the principle objectives of the project, namely the interconnection of the renewable resources” in a particular renewable energy zone.<sup>28</sup> In the present case, SCE provided appropriate wires alternatives in its PEA, and non-wires alternatives fail to meet the primary project objective to interconnect planned renewable resources. Consistent with this precedent, the statutory requirements have been satisfied.

### III. CONCLUSION

The Decision relies on thoroughly vetted facts that support its finding and legal conclusions. WTF’s Application does not address the relevant issues, but rather attempts to undermine the Decision by referencing alternative facts that are irrelevant to Decision’s findings on public convenience and necessity. The Commission should reject WTF’s Application because it fails to identify legal or factual errors in the Decision.

Respectfully submitted

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<sup>28</sup> *In the Matter of the Application of the S. California Edison Co. (U 338 e) for A Certificate of Pub. Convenience & Necessity for the Eldorado-Ivanpah Transmission Project.*, No. 09-05-027, 2010 WL 5650688 (Dec. 16, 2010)