

## **Comments of San Diego Gas & Electric**

### **On the California ISO Discussion Paper:**

#### **“Amendment 60 Implementation Plan – Must Offer Commitments for Miguel and South of Lugo”**

April 15, 2008.

The CAISO’s proposed methodology in its Amendment 60 Implementation Plan fails to comply with Paragraph 31 of Opinion No. 492, issued December 27, 2006, which was affirmed by the Rehearing Order. Specifically, the CAISO is incorrectly using only the Miguel banks to determine zonal constraints at Miguel in contrast to Paragraph 31’s clear directive that imports from Mexico must also be considered when determining zonal constraints. Paragraph 31 states:

31. We affirm the judge’s findings on the zonal categorization of Miguel. We agree with Trial Staff that Miguel satisfies the Attachment E criteria in that it interconnects an area within the CAISO control area to another control area. The record evidence also supports the finding that Miguel provides regional reliability benefits that are more consistent with a zonal categorization than with a local one.<sup>65</sup> For example, CAISO Operating Procedure No. T-132E clearly shows that Miguel supports the transfer of energy between the control areas of the Imperial Irrigation District, Mexico, and Arizona.<sup>66</sup> In addition, we agree with Trial Staff that generation units in both SDG&E and SoCal Edison and units north of Midway are effective in mitigating congestion at Miguel, which supports the conclusion that Miguel is zonal in nature since generation throughout the zone can be used to mitigate congestion.<sup>67</sup> Thus, we find that Miguel satisfies the zonal criteria set forth in Attachment E and, therefore, that criteria would not need to be modified to accommodate Miguel. However, as recommended in the Initial Decision, we direct the CAISO to modify the tariff definition of inter-zonal interface in order to more accurately describe the function of Miguel. Regarding Southern Cities’ argument concerning adherence to Attachment E criteria, we find that, if the CAISO determines that the operating characteristics of a unit may cause a change in the bucket allocation, the CAISO can propose to amend the Attachment E criteria in an FPA section 205 filing.

T-132E Figure 1 shows that the cut-plane for Miguel Imports contains both the Miguel 500/230 kV banks and the flow from Mexico on TL 23040. Both of these flows create the North of Miguel Limit in GIP 2005.

Therefore, constraints at either the Miguel banks (imports from AZ and IID) or North of Miguel Limit (imports from AZ, IID, and Mexico) are zonal. The CAISO must make these necessary modifications to its Amendment 60 Implementation Plan in order to comply with prior Commission Orders.