

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

**DCR Transmission, L.L.C.**

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**Docket No. ER23-2309-000**

**ANSWER TO SUPPLEMENTAL TESTIMONY**

Pursuant to Rules 213 and 215 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure<sup>1</sup> and the Combined Notice of Filing issued on August 29, 2023 (“August 29 Notice”), in the above-captioned docket, the California Independent System Operator Corporation (“CAISO”) submits this answer to the supplemental testimony submitted by DCR Transmission, L.L.C. (“DCRT”) on August 18, 2023 (“Supplemental Testimony”).

In its July 21, 2023, comments in this proceeding (July 21 Comments), the CAISO explained that DCRT has not shown that the vast majority of the costs in excess of a contractual cost cap are recoverable under the provisions of the Approved Project Sponsor Agreement or are just and reasonable. Given the substantial cost increases suggested by DCRT based on threshold questions of fact that the Supplemental Testimony and the answer DCRT filed on August 7, 2023 (August 7 Answer) fail to resolve, the CAISO reiterates its position that the Commission should not accept DCRT’s proposed annual Base Transmission Revenue Requirement and should instead set it for hearing and settlement procedures.

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<sup>1</sup> 18 C.F.R. §§ 385.213, 385.215 (2022).

## **I. Answer to Supplemental Testimony**

Even if more time were available to comment on the Supplemental Testimony,<sup>2</sup> an issue-by-issue analysis of the supplemental filing would not be necessary here because DCRT's Supplemental Testimony and August 7 Answer fail to demonstrate DCRT's proposed Base Transmission Revenue Requirement is just and reasonable. If anything, DCRT's supplemental filings highlight that the record needs further development and make it clear that an evidentiary hearing is necessary to resolve an array of issues of material fact raised by DCRT's filing.

Nothing in the Supplemental Testimony resolves the concerns and issues raised in the CAISO's July 21 Comments. Here, the CAISO submits this answer to simply reassert its position that the Commission should not accept DCRT's proposed annual Base Transmission Revenue Requirement, and instead set for evidentiary hearing and settlement procedures the issue of its just and reasonable transmission revenue requirement and the extent to which that transmission revenue requirement is limited by the binding cost cap in the Approved Project Sponsor Agreement.

## **II. Conclusion**

Despite its additional pleadings, DCRT has failed to justify its substantial cost increases above the binding cost cap in its Approved Project Sponsor Agreement with the CAISO. For the foregoing reasons, the Commission should not accept DCRT's proposed annual Base Transmission Revenue Requirement allowing cost recovery well in excess of its contractually binding cost cap and should instead set the issue of

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<sup>2</sup> The August 29 Notice gave parties a comment window of three days and only two weeks after the filing of the Supplemental Testimony, setting a comment deadline of September 1, 2023. FERC, Combined Notice of Filings #1 (Aug. 29, 2023).

DCRT's proposed annual Base Transmission Revenue Requirement for evidentiary hearing and settlement procedures.

Respectfully submitted,

**/s/ Anthony J. Ivancovich**

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Dated: September 1, 2023

## 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, CA this 1<sup>st</sup> day of September, 2023.

*/s/ Jacqueline Meredith* \_\_\_\_\_  
Jacqueline Meredith