

**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 TO THE MOTION OF THE PUBLIC ADVOCATES OFFICE TO SET
ASIDE SUBMISSION AND REOPEN RECORD
AND
RESPONSE TO THE MOTION OF THE PUBLIC ADVOCATES OFFICE TO
REQUEST NOTICE OF THE FERC ORDER
BY THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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Pursuant to Rule 11.1(e) of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits its response in opposition to the *Motion of the Public Advocates Office to Set Aside Submission and Reopen Record; [Proposed] Order* (Motion). The Commission should deny the motion and approve the proposed decision granting Southern California Edison Company's (SCE's) application for a certificate of public convenience and necessity (CPCN) to construct the Eldorado-Lugo-Mohave (ELM) series capacitor project (Project).

I. DISCUSSION

The Public Advocates Office (Cal Advocates) filed motions requesting that the Commission (1) reopen the record in this proceeding and (2) take official notice of the Federal Energy Regulatory Commission (FERC) decision approving, in part, modifications to the CAISO's deliverability methodology. Under Rule 13.14(b) of the Commissions' Rules of Practice and Procedure, a motion to set aside submission and reopen the record must:

Specify the facts claimed to constitute grounds in justification thereof, including material changes of fact or of law alleged to have occurred since the conclusion of the hearing. It shall contain a brief statement of proposed additional evidence and explain why such evidence was not previously adduced.¹

¹ Rule 13.14(b)

Cal Advocates' motion fails to specify material changes of fact or law that have occurred since the close of hearings. Specifically, the change in deliverability methodology is not material because ELM Project continues to provide the same transmission capacity and scheduling right benefits identified in the CAISO's testimony. In addition, Cal Advocates' motions are out of time and substantially increase the risk the ELM Project will be further delayed. The Commission should dismiss Cal Advocates' motions and approve SCE's application for CPCN as soon possible to maintain the current construction schedule and provide addition deliverability for much-needed new resources.

A. The CAISO's New Deliverability Methodology Does not Materially Impact ELM Project Benefits.

i. The New Deliverability Methodology Has No Impact on New Transmission Capacity Provided by the ELM Project.

The CAISO's new deliverability methodology will not impact the incremental transfer capability or deliverability increase in transmission capacity. The CAISO's opening testimony explained that the ELM Project enables SCE to seek a 950 MW increase to the West of Colorado River Path rating.² The ELM Project provides this benefit regardless of the applicability of any specific deliverability methodology. The functional increase in capacity and the attendant increase in the West of Colorado River Path rating will allow more renewable and battery resources to connect to the CAISO grid and provide resource adequacy capacity.

The ELM Project also continues to provide needed scheduling rights for planned resources. CAISO generation inadvertently flows on Los Angeles Department of Water and Power (LADWP) transmission lines, on which, LADWP has entitlements. The CAISO must respect LADWP's entitlements on these lines. Without the ELM Project, a significant portion of the generation in the Commission-developed resource portfolios would be implicitly planned to flow on LADWP's system. With the CAISO effectively utilizing LADWP's transmission system, LADWP would be expected to enforce operational limitations on the loop flow to protect its entitlements and deliver its own renewable generation to LADWP load. Limiting the loop flow on LADWP's system would prevent the CAISO resources identified in the

² Exhibit CAISO-01 (Barave Direct), p. 11:9-13.

Commission-developed base portfolio from being delivered to the aggregate of CAISO load regardless of the specific deliverability methodology in effect.

ii. The New Deliverability Methodology Will Not Materially Impact the Quantity of New Resource Adequacy-Eligible Capacity That Can Be Accessed with the ELM Project.

The ELM Project will provide deliverability to a significant amount of new resources—including solar, storage, and hybrid resources—that will be able to count toward meeting system resource adequacy requirements. These resources can play a critical role in helping the CAISO meet system energy needs. The CAISO estimates that the Proposed Project will provide access to a minimum of approximately 2,700 MW of incremental qualifying capacity that can count toward system resource adequacy needs.³ Further, this estimate is extremely conservative, especially in light of recent requests to add approximately 1,935 MW of energy storage to existing renewable interconnection projects.⁴ At a minimum, the Proposed Project will provide access to effective resources that will be eligible to provide system resource adequacy.⁵ The estimated increase in total resource adequacy capacity that can be accommodated with the ELM Project will not decrease based on the new deliverability methodology.

B. Cal Advocates Unduly Delayed Filing the Motions and Granting the Motions Would Be Prejudicial.

Cal Advocates motions are out of time and granting them would be unduly prejudicial. The Federal Energy Regulatory Commission (FERC) granted, in part, CAISO's request to change its deliverability methodology on May 19, 2020. Cal Advocates waited almost three full months to file its motions to reopen the record and take official notice of FERC's decision. Cal Advocates should have raised these motions as soon as FERC issued its order, but instead Cal Advocates delayed until after the Commission issued the Proposed Decision, thereby potentially delaying an approved final decision.

³ Cal Advocates Opening Comments, p. 3.

⁴ Opening Brief of the California Independent System Operator Corporation, p. 5.

⁵ *Id.*

Cal Advocates should be aware that the timing for a decision in this proceeding is critical, as even a minor delay in permitting could cause a significant delay in the construction schedule.⁶ Cal Advocates' failure to raise this issue in a timely manner is prejudicial to the CAISO, SCE, and any generators relying on the ELM Project to achieve deliverability. The Commission should not permit Cal Advocates' procedural tactics to significantly delay construction of necessary transmission facilities, especially given any restudy based on the new deliverability methodology would not—and could not—show the project is unnecessary, as discussed above. A re-study is unnecessary because the fundamental conclusions would not change.⁷

Instead, the Commission should follow the framework established in other transmission permitting cases, re-evaluating project need only if there is a fundamental change to the status quo.⁸ As the discussion above details, there has been no fundamental change in the status quo that would render the project unnecessary or require re-evaluation in this case. As a result, the Commission should grant SCE's application for CPCN for the ELM Project.

C. Cal Advocates Had The Opportunity to Present Evidence Regarding the Impact of the New Deliverability Methodology.

During the evidentiary phase of this proceeding, Cal Advocates had the opportunity to present evidence regarding the impact of new deliverability methodology on the need for the ELM Project. In fact, Cal Advocates questioned CAISO witnesses regarding the impact of new deliverability methodology at hearings.⁹ Exhibits presented by Cal Advocates show that the

⁶ See July 2, 2020 Email from SCE attorney Tammy Lynn Jones to Administrative Law Judge Jungreis and all parties noting that "SCE's construction schedule contemplates a start date of September 15, 2020 in order to perform critical work that must be performed in advance of the available outage window. Any further delays in the Proposed Decision, and consequently the Final Decision, would result in a delay of several months, significantly jeopardizing the ELM Project's in-service date."

⁷ Cal Advocates motions are predictably short-sighted in asking the Commission to reopen the record to reconsider one specific piece of new information. The transmission planning process and associated regulatory developments are, by their nature, updated frequently. Using a single regulatory change as a reason to reopen the proceeding would create an untenable precedent that would allow for interminable delay in the permitting process. There are frequently new developments that, in isolation, could be relevant to a particular permitting proceeding. For example, the CAISO incorporates updated load and resource data on an annual basis. These data are fundamental to the CAISO's analysis, but do not trigger a need to reevaluate particular project, especially if the Commission is in the process of reviewing the project in a multi-year CPCN proceeding. The Commission would be unable to make final decisions on any such transmission projects if the Commission reopened for immaterial changes in circumstance. Reopening the record here to accommodate a new study that would not change the outcome would be obstructionist.

⁸ West of Devers Decision, p. 20.

⁹ Eldorado-Lugo-Mohave Evidentiary Hearing, Dec. 3, 2019, p. 53-66.

CAISO's proposal for its new deliverability methodology was available as early as September of 2019. Cal Advocates could have presented its own analysis under the proposed deliverability methodology in its opening testimony, which was not filed until November 4, 2019.¹⁰ Cal Advocates chose not to conduct its own analysis. Cal Advocates' motion fails because it had the information necessary to make an affirmative case regarding the impact of the new deliverability methodology during the evidence gathering phase of this proceeding. The fact that Cal Advocates failed to make such an affirmative case is not grounds for reopening the record in this proceeding.

II. CONCLUSION

The CAISO recommends that the Commission deny Cal Advocates' motions and approve the Proposed Decision granting SCE's application for a CPCN to build the ELM Project.

Respectfully submitted,

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¹⁰ Exhibit Cal Adv-05.