

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

Southern California Edison Company)

Docket No. EL10-1-002

**COMMENTS OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation submits these comments on the compliance filing by Southern California Edison Company on August 3, 2010 in response to the condition set forth in the Commission's December 17, 2009 order in this proceeding.¹ SCE's filing requests the Commission's confirmation that it has satisfied the conditions of the December 17 order for recovery of any costs of abandoned plant and other rate incentives for the proposed Eldorado-Ivanpah Transmission Project.

The ISO's November 2, 2009 comments on SCE's original petition for approval of these rate incentives proposed that the Commission make any approval of SCE's request for recovery of abandoned plant costs conditional on the ISO's approval of the Eldorado-Ivanpah project through execution of Large Generator Interconnection Agreements that specify the need for this project as a network upgrade in those LGIAs. The ISO confirms that it has executed the three LGIAs described in footnote 12 of SCE's compliance filing and has thereby approved the need for the portions of the Eldorado-Ivanpah project described in

¹ *Southern California Edison Co.*, 129 FERC ¶ 61,246 (2009). These comments are submitted pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.213 (2010) and the Notice of Filing issued in this proceeding on August 4, 2010. The ISO is sometimes also referred to as the CAISO.

those LGIAs in accordance with the condition that the ISO proposed in its November 2 comments.²

The ISO also wishes to confirm SCE's description of the relationship of the ISO's approval of network upgrades through execution of an LGIA to the ISO's transmission planning process. Network upgrades are determined to be needed to accommodate a generator interconnection request through the performance of generator interconnection studies. An LGIA is then executed that establishes the commitment of the parties to construct these network upgrades. Once the LGIA is executed, the network upgrades identified in it are considered by the ISO to be needed and are incorporated into the modeling assumptions (base case) for transmission planning studies for the next annual planning cycle.

In the case of the Eldorado-Ivanpah project, the execution of the three LGIAs establishing the need for the portions of the project identified as network upgrades will lead to the ISO's treatment of these upgrades as presumed to be constructed for purposes of future transmission planning. The modeling assumptions for future transmission planning studies will presume the existence

² As noted in footnote 8 of SCE's filing, the three executed LGIAs trigger the need for a double circuit line for the Eldorado-Ivanpah project with only one of the two circuits contemplated to be energized initially and do not identify a need for a third transformer bank at Ivanpah substation. See LGIA for DPT1 Project, Appendix A §§2(A), 14. As described in SCE's filing, SCE's Application for a Certificate of Public Convenience and Necessity for the Eldorado-Ivanpah project pending at the California Public Utilities Commission seeks to permit the full project, including both circuits and the third transformer bank. SCE indicates that it understands that the need for these additional portions of its full version of the Eldorado-Ivanpah project will be triggered by additional generation pending in the ISO's generator interconnection queue and requests that the Commission conditionally approve of the construction of these facilities on either (1) the ISO's execution of additional LGIAs including these facilities as needed network upgrades or (2) an order of the CPUC to install these facilities. The ISO supports the imposition of a condition that recovery of the costs of abandoned plant for these facilities be contingent on the ISO's execution of additional LGIAs that include these facilities as network upgrades.

of these upgrades in determining the need for additional transmission facilities to meet the ISO's planning standards in the next annual cycle.

Finally, the ISO wishes to make clear that it considers the Eldorado-Ivanpah project to be among those transmission facilities that are important to accommodate the delivery of energy from renewable and other resources to enable the state to meet a 33% Renewable Portfolio Standard goal.

The ISO requests that the Commission take the foregoing comments into consideration in issuing its order on SCE's filing.

Respectfully submitted,

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Dated: August 24, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-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 this 24th day of August, 2010, at Folsom, California.

Anna Pascuzzo

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