

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of NEXTERA  
ENERGY TRANSMISSION WEST, LLC for a  
Certificate of Public Convenience and Necessity  
for the Suncrest Dynamic Reactive Power  
Support Project

Application 15-08-027  
(Filed August 31, 2015)

**RESPONSE OF CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION TO NEXTERA ENERGY TRANSMISSION WEST, LLC'S MOTION  
TO COMPEL**

Pursuant to Rule 11.3(b) of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits this Response to NextEra Energy Transmission West's (NEET West) Motion to Compel production of certain confidential attachments (Confidential Attachments) that San Diego Gas & Electric Company (SDG&E) provided in response to the Office of Ratepayer Advocates' (ORA) first set of data requests (DR 1) on March 31, 2017.

**I. Introduction**

The CAISO supports NEET West's alternative request for a ruling confirming that the topics addressed in the Confidential Attachments are not relevant to or admissible in this proceeding. The Commission's Rule of Practice and Procedure 10.1 provides that parties other than the Commission or its staff (including ORA)

may obtain discovery from any other party regarding any matter, not privileged, that is relevant to the subject matter involved in the pending proceeding, if the matter either is itself admissible in evidence or appears reasonably calculated to lead to the discovery of admissible evidence, unless the burden, expense, or intrusiveness of that discovery clearly outweighs the likelihood that the information sought will lead to the discovery of admissible evidence.

Those portions of the Confidential Attachments related to CAISO's competitive solicitation process, specifically an unsuccessful bidder's confidential and trade secret information, are not relevant to the proposed Suncrest Dynamic Reactive Power Support Project (Proposed Project). As a result, the Commission should affirmatively rule that such information is irrelevant and inadmissible.

## **II. Discussion**

### **A. Review of the CAISO's Competitive Solicitation Process Is Not within the Scope of this Proceeding.**

The Commission's February 24, 2017 Scoping Memo identifies the the relevant factual issues in this proceeding as: (1) the public convenience and necessity for the Proposed Project; (2) whether the Proposed Project will have significant effect on the environment and, if so, whether feasible mitigation measures or alternatives can eliminate or lessen the environmental impacts; (3) whether the Proposed Project and/or project alternative is designed in compliance with the Commission's policies governing mitigation of Electromagnetic Field (EMF) effects; (4) the maximum prudent and reasonable cost of the Proposed Project; and (5) whether the Proposed Project comports with federal, state, and Commission rules governing safety, reliability, and competition. Notably, the relevant factual issues are directly tied to the Proposed Project or project alternatives identified in the environmental impact report. A third-party cost estimate for a bid that was ultimately not selected in the CAISO's competitive solicitation process has no relevance to need, cost, environmental impact, regulatory compliance or EMF impact of the Proposed Project. Furthermore, requiring production of information of the Confidential Attachments would undermine the CAISO's competitive solicitation process. The Scoping Memo correctly limits the scope of this proceeding to review of the Proposed Project and does not include a review of the CAISO's competitive solicitation process or the bids submitted in that process.

### **B. The CAISO has the Obligation to Select Project Sponsors for Competitive Solicitation Projects.**

CAISO Tariff section 25.5.3.5 requires the CAISO to "select one qualified Approved Project Sponsor based on a comparative analysis of the degree to which each Project Sponsor's proposal meets" the qualification criteria and selection factors set forth in the tariff. The purpose of this comparative analysis is

to take into account all transmission solutions being proposed by competing Project Sponsors seeking approval of their transmission solution and to select a qualified Project Sponsor which is best able to design, finance, license, construct, maintain, and operate the particular transmission facility in a cost-effective, efficient, prudent, reliable, and capable manner over the lifetime of the facility, while maximizing overall benefits and minimizing the risk of untimely project completion, project abandonment, and future reliability, operational and other

relevant problems, consistent with Good Utility Practice, applicable reliability criteria, and CAISO Documents.<sup>1</sup>

At the conclusion of this comparative analysis, the CAISO releases a selection report setting forth the reasons for the CAISO's decision "and how the CAISO's decision is consistent with the objectives identified in 24.5.4 [of the CAISO tariff]." <sup>2</sup> The Confidential Attachments contain information that is not relevant to the Proposed Project, but rather is relevant to whether the CAISO properly carried out its comparative analysis and selection processes. The Commission cannot revisit the CAISO's compliance with its tariff process through this certificate of public convenience and necessity (CPCN) application. To the extent that review of the CAISO's competitive solicitation process is necessary, that review should be conducted by the Federal Energy Regulatory Commission (FERC) and should be based on CAISO tariff requirements.

### **III. Conclusion**

The Confidential Attachments include confidential bid information that is irrelevant to the Proposed Project and issues identified in the Scoping Memo. Rather, the information requested is only relevant to whether the CAISO properly complied with its FERC-approved tariff. The CAISO's tariff compliance is not an issue in this proceeding and the Commission should find that the Confidential Attachments are irrelevant and inadmissible.

Respectfully submitted,  
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<sup>1</sup> CAISO Tariff Section 24.5.4.

<sup>2</sup> CAISO Tariff Section 24.5.5.