

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

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 12-03-014

**MOTION OF THE CALIFORNIA INDEPENDENT SYSTEM  
OPERATOR CORPORATION TO LIMIT SCOPE OF  
TRACK 4 EVIDENTIARY HEARING**

ALJ Gamson has scheduled a prehearing conference (PHC) in Track 4 on October 22, 2013. In an email dated October 1, 2013, sent to the service list, he identified the topics to be discussed at the PHC. One topic open for discussion is the scope of the evidentiary hearing that will begin on October 28, 2013. Consistent with that item, the California Independent System Operator Corporation (ISO) hereby submits a motion to limit the scope of the evidentiary hearing, as discussed more fully below.

The May 21, 2013 revised scoping ruling set forth the parameters and scope for Track 4. In particular, at Attachment A the Commission listed the study assumptions that the ISO was to incorporate into a local capacity study for the SONGS local area that would identify residual resource needs assuming a permanent SONGS outage. As clearly stated in Attachment A, the purpose of Track 4 was to build on the Commission's decision in Track 1 for the LA Basin (D.13-02-015) and in Docket A.11-05-023 (D.13-03-029) for the San Diego local area. Both of these decisions established local resource requirements based on the ISO's local capacity requirements (LCR) study methodology. In each proceeding, many of the technical details of the ISO's study methodology were extensively litigated; notably, in A.11-05-023, parties thoroughly explored the topic of load shedding as a mitigation solution for the N-1-1 critical contingency in the San Diego local area. Despite differing opinions on this and other items, the ISO's study

methodology was adopted for use in both long term procurement proceedings without modification.<sup>1</sup>

Thus, consistent with the revised scoping ruling, the ISO's study methodology is not a topic to be re-litigated in Track 4; the ISO has set forth this position in its rebuttal testimony and in response to data requests. Nevertheless, numerous parties have submitted extensive testimony that, once again, takes issue with the ISO's study methodology, particularly the ISO's application of NERC and WECC reliability standards and the ISO's grid planning standards. Of these topics, the ISO's position on load shedding in the San Diego area to mitigate the most limiting N-1-1 contingency has been challenged over and over again in opening and rebuttal testimony.<sup>2</sup> Parties also have taken issue, again, with the deterministic nature of the ISO's transmission planning studies, a matter that was raised by the same parties in Track 1 and resolved when the Commission adopted the ISO's study methodology in D.13-02-015.

Although the testimony on these topics duplicates the issues raised in previous proceedings, the ISO responded to all of the issues in the rebuttal testimony of Mr. Sparks and Mr. Millar, which includes references to the same materials presented in the prior cases.<sup>3</sup> The ISO submitted this rebuttal testimony out of an abundance of caution to protect against the possibility that the Commission would revisit issues that have been considered in previous proceedings (and not part of the scope of Track 4) and that ISO's position would not be part of the record. However, for the purposes of the evidentiary hearing, the ISO strongly urges the Commission to exclude issues involving the ISO's study methodology- application of transmission planning standards, probabilistic analysis and other matters- from cross examination during the evidentiary hearing. At this point, if the Commission considers these topics to be in scope, they are

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<sup>1</sup> See D.13-03-029; discussion starting at page 6, Section 3.2 as well as Conclusion of Law #5 finding the ISO's study methodology to be reasonable; D.13-02-015 at pages 39-40 and also Finding of Fact #9 wherein the ISO's study methodology was found to be reasonable.

<sup>2</sup> The ISO notes that in A.13-06-015, the Pio Pico PPTA application proceeding, the ALJ granted the ISO's motion to strike all issues associated with the N-1-1 contingency and the probabilistic versus deterministic methodology on the grounds that these matters had been addressed and resolved in D.13-03-029. See 10/14/13 transcript in A.13-06-015 Tr.20:1-23:7.

<sup>3</sup> See, e.g., the attachments to Mr. Sparks' rebuttal testimony.

policy issues at best and the record will not benefit from extensive and technically complex cross-examination.

As reflected in the ISO's testimony, the ISO strongly recommends that the Commission not consider weakening the level of local reliability that the ISO has applied, since its inception in 1997, to heavily populated areas in California. The ISO's application of the grid planning standards have been considered previously and approved not only in the LA Basin and San Diego procurement cases, but in resource adequacy proceedings as well. By limiting the scope of cross examination, the parties and the Commission will be able to focus valuable hearing time on such important and urgent matters as whether there is a need for additional procurement in the SONGS study area, and how residual resource needs in the SONGS study area should be filled. Limiting the scope of the cross examination, as suggested by the ISO, will move the hearing along and allow the Commission to make an expeditious decision on these urgent procurement matters.

Respectfully submitted,

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