

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

**Pacific Gas and Electric
Company**

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Docket No. EL20- 60

**MOTION TO INTERVENE AND COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation (“CAISO”) respectfully moves to intervene and submits these comments supporting the Petition for Declaratory Order filed by Pacific Gas and Electric Company (“PG&E”) on August 6, 2020, in the captioned docket.¹ PG&E requests abandoned plant incentive rate treatment for the PG&E-owned components of two reliability-driven transmission projects the CAISO approved in its 2018-2019 annual transmission planning process: (1) the Gates 500 kV Dynamic Reactive Support Project (Gates Project), and (2) the Round Mountain 500 kV Dynamic Reactive Support Project (Round Mountain Project).

I. MOTION TO INTERVENE

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with its principal place of business at 250 Outcropping Way, Folsom, CA 95630. The CAISO is the balancing authority

¹ The CAISO moves to intervene and submits these comments pursuant to Rules 212 and 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.214 (2015), and Commission’s notice in this docket.

responsible for the reliable operation of the electric grid comprising the transmission systems of a number of transmission owners including PG&E, administers the generator interconnection procedures applicable to those facilities, and operates energy and ancillary services markets.

The CAISO requests the Commission allow it to intervene in this proceeding. PG&E is seeking the abandoned plant incentive for transmission projects the CAISO approved through its annual transmission planning process. The Gates and Round Mountain Projects and the authorizations PG&E seeks affect the CAISO and CAISO ratepayers. Thus, the CAISO has a direct and substantial interest in the proceeding. Because no other party can adequately represent the CAISO's interests in the proceeding, the CAISO's intervention is in the public interest, and the Commission should grant the intervention.

II. COMMENTS

A. Nature of the Projects

PG&E seeks approval of the abandoned plant rate incentive for the PG&E-owned components of the Gates and Round Mountain Projects, which are described in greater detail in PG&E's Petition for Declaratory Order. In its 2018-2019 annual transmission planning process, the CAISO determined the Gates and Round Mountain Projects were needed to meet identified reliability needs on the CAISO system. The projects were included in the 2018-2019 CAISO Transmission Plan approved by the CAISO Board of Governors. The Gates and Round Mountain Projects are critical, in large part, to provide voltage support to

mitigate high voltage levels after the Diablo Canyon Nuclear Power Plant retires. The latest in-service date for these projects is June 1, 2024.

The Gates and Round Mountain projects each consist of a component that was subject to competitive solicitation and a PG&E-owned component that was not subject to competitive solicitation. The CAISO awarded the components of the two projects subject to competitive solicitation to LS Power Grid California, LLC (LS Power). LS Power's and PG&E's portions of each project are interdependent parts of a single, integrated project.

B. Abandoned Plant Incentive

The CAISO supports PG&E's request for the abandoned plant rate incentive for the PG&E-owned components of the Gates and Round Mountain Projects. The CAISO believes such authorization is appropriate when a facility has been initially proposed and approved through an Order No. 1000-compliant process involving stakeholder input, such as the CAISO's transmission planning process, and the subsequent decision to abandon the project is not under the control of project developer. Such abandonment might occur, for example, due to a failure to obtain necessary regulatory approvals. Under CAISO tariff section 24.6, project sponsors such as PG&E are obligated to make a good faith effort to obtain all approvals and property rights for and to construct needed transmission projects reflected in the annual transmission plan for which they are responsible. It is particularly important that project sponsors proceed with critical reliability projects such as the Gates and Round Mountain Projects in a diligent and timely manner so the CAISO does not face potential reliability criteria violations. The

availability of abandoned plant recovery promotes this undertaking and is an important incentive that serves to expand the options available to the CAISO in meeting reliability and other needs identified in its annual transmission planning process.

On June 18, 2020, the Commission granted LS Power's request for abandoned plant authority for its portion of the Gates and Round Mountain Projects.² The Commission similarly should grant PG&E's request for the abandoned plant incentive for its portion of the Gates and Round Mountain Projects given LS Power's and PG&E's parts of each project are interrelated components of an integrated project.

III. COMMUNICATIONS

The CAISO requests that all communications and notices regarding this filing and these proceedings be provided to the following:

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IV. CONCLUSION

For the reasons explained above, the CAISO requests the Commission grant its motion to intervene, consider its comments, and approve PG&E's

² *LS Power Grid California, LLC*, 171 FERC ¶61,122 (2020).

request for the abandoned plant incentive.

Respectfully submitted,

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Dated: September 8, 2020

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 above-referenced 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 this 8th day of September, 2020.

/s/ Anna Pascuzzo
Anna Pascuzzo