

Application No.: 14-11-016

Exhibit No.: \_\_\_\_\_

Witness: \_\_\_\_\_

Application of Southern California Edison Company  
(U338E) for Approval of the Results of Its 2013  
Local Capacity Requirements Request for Offers for  
the Moorpark Sub-Area.

Application 14-11-016

**TESTIMONY OF NEIL MILLAR  
ON BEHALF OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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

3  
4                   Application of Southern California Edison Company  
                  (U338E) for Approval of the Results of Its 2013  
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                  the Moorpark Sub-Area.

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9                   **CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

10  
11   **Q.     What is your name and by whom are you employed?**

12   **A.**My name is Neil Millar. I am employed by the California Independent System  
13           Operator Corporation (CAISO), 250 Outcropping Way, Folsom, California as the  
14           Executive Director, Infrastructure Development.

15  
16   **Q.     Please describe your educational and professional background.**

17   **A.**I received a Bachelor of Science in Electrical Engineering degree at the University  
18           of Saskatchewan, Canada, and am a registered professional engineer in the province  
19           of Alberta.

20  
21           I have been employed for over 30 years in the electricity industry, primarily with a  
22           major Canadian investor-owned utility, TransAlta Utilities, and with the Alberta  
23           Electric System Operator and its predecessor organizations. Within those  
24           organizations, I have held management and executive roles responsible for  
25           preparing, overseeing, and providing testimony for numerous transmission planning  
26           and regulatory tariff applications. I have appeared before the Alberta Energy and  
27           Utilities Board, the Alberta Utilities Commission, and the British Columbia Utilities  
28           Commission. Since November, 2010, I have been employed at the ISO, leading the  
29           Transmission Planning and Grid Asset departments.

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1 **Q. What is the purpose of your testimony?**

2 **A.** The purpose of my testimony is to provide an overview of how Southern California  
3 Edison Company's (SCE) 2013 request for offers (RFO) meets the local capacity  
4 requirement needs for the Moorpark sub-area as identified in Commission Decision  
5 (D.) 13-02-015 (Track 1 Decision). My testimony addresses the following issues set  
6 forth in the Assigned Commissioner's Ruling and Scoping Memo issued March 13,  
7 2015:

- 8 1. Whether the results of SCE's 2013 LCR RFO for the Moorpark sub-area  
9 enhance the safe and reliable operation of SCE's electrical service; and
- 10 2. Whether the results of SCE's 2013 LCR RFO for the Moorpark sub-area are  
11 a reasonable means to meet the 215 to 290 megawatts (MW) of identified  
12 LCR need determined by D.13-02-015.

13

14 **Q. What are your recommendations in this proceeding?**

15 **A.** I recommend that the Commission:

- 16 1. Approve the results of SCE's 2013 RFO for the Moorpark sub-area;
- 17 2. Find that the results of SCE's 2013 LCR RFO for the Moorpark sub-area  
18 enhance the reliable operation of SCE's electrical service; and
- 19 3. Find that the results of SCE's 2013 RFO for the Moorpark sub-area  
20 represent a reasonable means to meet a portion of the identified local  
21 capacity requirement need determined in D.13-02-015.

22 These recommendations are discussed in detail below.

23

24 **Q. Please describe how SCE's RFO-selected resources align with the Track 1 long-**  
25 **term procurement plan decision of the Commission.**

26 **A.** The Commission's Track 1 Decision recognized an "immediate need" for capacity  
27 in the Moorpark sub-area and authorized SCE to procure a minimum of 215 MW to

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1 a maximum of 290 MW of capacity.<sup>1</sup> Although the CAISO asserted that [there](#) was a  
2 need for 430 MW of new capacity in the Moorpark sub-area, the Commission  
3 authorized procurement of up to only 290 MW after noting that preferred resources  
4 and possible transmission solutions could lead to a reduction in need for new  
5 capacity.<sup>2</sup> The Track 1 Decision recognized the “operational benefits from having  
6 specific types of in-area generation with the characteristics of the current [once-  
7 through-cooling] plants for the Moorpark area” and noted that local capacity  
8 requirements “require resources be located in a specific transmission-constrained  
9 area in order to ensure adequate available electrical capacity to meet peak demand,  
10 and ensure the safety and reliability of the local electrical grid.”<sup>3</sup> Consistent with  
11 the Commission’s decision, SCE’s Application requests approval to procure  
12 resources totaling approximately 274 MW of capacity in the Moorpark sub-area.

13  
14 In Section 7.3.2 of the Track 1 Decision, the Commission set forth minimum  
15 requirements for resources to be considered in SCE’s RFO. The Commission stated  
16 that the RFO should be limited to resources that (1) meet the identified reliability  
17 constraint identified by the CAISO, (2) are demonstrably incremental to the  
18 assumptions used in the CAISO studies, and (3) offer the performance  
19 characteristics needed to be eligible to count as local RA capacity. Based on the  
20 CAISO’s review, the resources selected in SCE’s RFO meet these criteria.

21  
22 **Q. Please describe the consultations between the CAISO and SCE regarding**  
23 **requirements for resources considered in the 2013 SCE RFO.**

24 **A.** The CAISO worked with SCE to confirm that the location and characteristics of the  
25 procured resources would meet the local capacity needs. During the pendency of  
26 2014-2015 transmission planning process, SCE provided the CAISO with a  
27 procurement scenario based on the actual RFO-selected resources for the Moorpark

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<sup>1</sup> D.13-02-015, p. 125.

<sup>2</sup> *Id.*, p. 72.

<sup>3</sup> *Id.*, p. 2.

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1 sub-area. The CAISO studied this scenario to determine that RFO-selected  
2 resources meet the identified local capacity requirement needs.

3  
4 The CAISO also informed SCE that demand response and non-dispatchable  
5 resources must have a fixed operational period of four hours for qualified capacity  
6 valuation calculations set by the Commission.<sup>4</sup> Resources that do not meet the  
7 Commission’s minimum standards for qualifying capacity are not capable of  
8 receiving system resource adequacy credit.

9  
10 These consultations were conducted according to the Commission’s directive in the  
11 Track 1 long-term procurement plan decision to “meet the identified reliability  
12 constraint identified by the CAISO” and “use the most up-to-date effectiveness  
13 ratings.”<sup>5</sup>

14

15 **Q. Are the results of SCE’s Moorpark sub-area RFO consistent with the Track 1**  
16 **Decision?**

17 **A.** Yes, SCE’s request to procure resources totaling approximately 274 MW of  
18 capacity is within the range of the Commission’s Track 1 decisions authorized  
19 procurement of a minimum of 215 MW and a maximum of 290 MW of capacity.

20

21 The CAISO has analyzed the results of SCE’s RFO in the context of the 2014-2015  
22 transmission plan which was presented to the CAISO Board of Governors and  
23 approved on March 26. These results indicate that the proposed RFO procurement  
24 can meet long-term local capacity requirement needs when combined with the  
25 California Energy Commission’s forecast of 87 MW of additional achievable energy  
26 efficiency for the Moorpark subarea. The Commission must continue to monitor

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<sup>4</sup> See the Commission’s 2015 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings, issued September 9, 2015. <http://www.cpuc.ca.gov/NR/rdonlyres/70C64A46-89DE-4D90-83AB-93FD840B4251/0/Final2015RAGuide.docx>.

<sup>5</sup> D.13-02-015 at 131-132.

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1           the development of these resources in order to ensure the long-term reliability of the  
2           system.

3

4           Mr. Sparks' concurrently served testimony provides additional detail regarding the  
5           results of the CAISO's 2014-2015 transmission plan and the local capacity  
6           requirement analysis conducted for the Moorpark subarea.

7

8   **Q.    Please summarize your recommendations.**

9   **A.**The CAISO's local capacity requirement analysis shows that the RFO resources will  
10       enhance the reliable operation of SCE's electrical service. Based on location and  
11       operational characteristics, the RFO-selected resources represent a reasonable  
12       means to meet a portion of the local capacity requirement determined in D.13-02-  
13       015. As a result, I recommend that the Commission approve the results of SCE's  
14       2013 LCR RFO for the LA Basin.

15

16   **Q.    Does this conclude your testimony?**

17   **A.**Yes, it does.