

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

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
(Filed November 26, 2014)

**OPENING BRIEF OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

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December 1, 2016

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I. Introduction

In the August 18, 2016 Second Assigned Commissioner’s Ruling and Scoping Memo (Scoping Memo), the Commissioner established the relevant issues and procedural schedule for Southern California Edison Company’s (SCE) application for Approval of the results of its 2013 local capacity requirements (LCR) request for offers (RFO) for the Moorpark sub-area. According to the schedule set forth in the Scoping Memo, the California Independent System Operator Corporation (CAISO) filed testimony on October 13, 2016. The procedural schedule adopted for this proceeding established December 1, 2016 as the due date for opening briefs. Consistent with this schedule, the CAISO submits its opening brief.

II. Discussion

A. An Unmet LCR Needs Exists in the Moorpark Sub-Area.

1,947 MW of existing generation in the Moorpark sub-area will be retired at the end of 2020 in order to comply with the State Water Resource Control Board’s once-through-cooling policy. To accommodate this significant retirement, the Commission and the CAISO have worked to ensure that sufficient resources are available to meet long-term LCR needs in the Moorpark sub-area. This work has included coordinating on detailed input assumptions in the CAISO’s transmission planning process and the Commission’s long-term procurement plan proceeding to accurately identify capacity needs in Moorpark and other transmission constrained local areas. Based on this detailed analysis, the CAISO identified LCR needs in the Moorpark sub-area in the Commission’s Rulemaking (R.) 12-03-014 and subsequently updated its need assessment in this proceeding. The most recent assessment shows that without the Ellwood Facility, there will be a residual 29.6 MW need for local capacity resources after the OTC

facilities retire. The need is driven by voltage collapse caused by the most critical contingency in the Moorpark sub-area.¹

B. The Ellwood Facility Effectively Meets the Identified LCR Need.

The CAISO's analysis shows that the Ellwood Facility can effectively meet the identified LCR need in the Moorpark sub-area.² Because the need is driven by voltage collapse, not all resources are equally effective at meeting the identified reliability need. For example, demand response with a similar capacity rating would not meet the identified needs because such resources do not provide dynamic reactive support.³ The results of SCE's request for offers in this proceeding indicates that potential new resources in the Moorpark sub-area are limited. Given the limited availability of other available, effective resources and the demonstrated effectiveness of the Ellwood Facility, the CAISO recommends that the Commission approve the Ellwood contract as a means to ensure that long-term LCR needs are met.

III. Conclusion and Recommendation

The CAISO recommends that the Commission approve the Ellwood Facility contract in order to meet long-term LCR needs.

Respectfully submitted

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¹ Exhibit CAISO-4, p. 3:4-10.

² Exhibit ORA-8, p. 3 (Table 2).

³ Exhibit ORA-8, p. 2.