

Pursuant to Section 4.2.3 of the Transmission Control Agreement (“TCA”), the East Kern Wind Resource Area (“EKWRA”) Reliability Project (“Project”), which was approved in March of 2010, is scheduled to be fully operational by June 30, 2014. As a result of completion of the Project, certain facilities that are currently under CAISO control will now be configured as “local distribution” facilities. The Project will begin its implementation in October 2013 and all steps are expected to be completed by June 30, 2014. The CAISO has initiated the TCA procedures in order to facilitate removal of the relevant 66 kV lines and facilities from the CAISO’s Operational Control no later than December 15, 2013, consistent with the functional tests under the TCA. December 15, 2013 will be the last day of work turning the system from network to distribution. While additional work will occur after December 15, 2013 through June 30, 2014 on the Project, that work will have no impact on the system’s classification as network or distribution.

Project History

In 2009, SCE completed its Transmission Reliability Assessment Compliance Plan (“Plan”). The CAISO reviewed the Plan and provided comments as part of the effort to develop the “CAISO Controlled SCE Transmission 2010 Expansion Plan,” dated March 2010. In March 2010, the CAISO Board approved the Project as a reliability project, which addressed reliability issues on SCE’s Antelope/Bailey 66 kV system.¹ Following CAISO approval, SCE moved forward with the Project’s development. While the original forecasted in-service date was December 2013, it has since been revised to June 30, 2014.

The Project scope includes constructing a 66 kV bus and two 220/66 kV transformer banks at SCE’s Windhub Substation. Once the 220/66 kV transformation, 66 kV bus work, and line rearrangement are completed at Windhub, the majority of the existing Antelope/Bailey 66 kV system will be served radially from the Windhub, Antelope, and Bailey substations. The remainder of the work involves separating lines and facilities through new switching and breaker schemes so that the systems do not operate as an integrated network, but as radial ones.

Operation of the Project lines and facilities in radial fashion as local distribution

Upon completion, the existing Antelope/Bailey 66 kV system will be reconfigured as: (1) the Windhub 66 kV system, and (2) the new Antelope/Bailey 66 kV system. The Antelope/Bailey 66 kV system will operate in a network fashion via the Antelope-Neenach 66 kV line and the Bailey-Neenach-Westpac 66 kV line, leaving those two lines, the Neenach 66 kV Substation and the 66 kV buses at the Antelope and Bailey Substations still operating as they are now and should remain under CAISO Operational Control. From October 1st to October 10th, SCE’s plan is that Flowind and Dutchwind generation will be carried radially from the Windhub 66 kV

¹ Please see CAISO Board briefing documents titled, *Briefing on 2010 Transmission Plan-Attachment B* (page 3) which lists the approved East Kern Wind Resource Area (EKWRA) 66 kV Reconfiguration Project, [http://www.caiso.com/Documents/Board%204\)%20Briefing%20on%202010%20Transmission%20Plan](http://www.caiso.com/Documents/Board%204)%20Briefing%20on%202010%20Transmission%20Plan).

System. There will be temporary configurations throughout the Antelope/Bailey and Windhub Systems to support the construction schedule so it operates consistently with its current manner until the Project is complete. The remaining facilities will be served radially from either the Antelope Substation or the Bailey Substation. Attachment A of this letter lists the affected facilities that will become radial facilities after the Project, and also lists the facilities that will remain in network service after the Project.

Application of FERC's five factor *Mansfield*² test demonstrates the remaining lines and facilities will no longer function as integrated network transmission facilities, but as a radial local distribution system. First, the Windhub system and the 66 kV lines and facilities being served from the Antelope Substation and Bailey Substation will operate as radial facilities from the point of interconnection to the CAISO Grid, either at Antelope Substation, Bailey Substation, or Windhub Substation. Second, the flow of energy will be unidirectional depending on local conditions. The Windhub system and radial facilities being served from Antelope or Bailey substation will perform like a radial distribution line serving load when connected load is greater than the connected generation, and conversely, the line will perform like a radial generator tie-line when the connected generation is producing a level in excess of its connected load. Third, after the Project, none of these lines or facilities can be used to provide transmission service (with the exception of the Antelope/Neenach/Bailey 66 kV system). All service will be limited to local distribution service either to serve connected load or to provide a path for connected generation to reach the CAISO Grid. Fourth, post-split, these lines and facilities will no longer benefit the CAISO Grid in terms of capability or reliability since the Windhub, Antelope, and Bailey lines and facilities will function independent of one another. Finally, an outage of the lines and facilities in any one of these distribution systems will not impact service to the other local distribution systems or cause an impact to the remaining transmission system in the area.

SCE's conclusion is that the newly formed Windhub System and the lines and facilities that will be served from Windhub as part of EKWRA are radial distribution systems, which will no longer function as ISO Controlled Transmission Network facilities. This is consistent with FERC's orders in both the *Whitewater* case (Docket No. ER02-2189) and *Cabazon* case (Docket No. EL04-137).³

² *Mansfield Municipal Electric Dept.*, 97 FERC ¶61,130 (2001), *reh'g denied*, Opinion No. 454-A, 98 FERC ¶61,115 (2005). The five Mansfield Factors are (1) whether the facilities are radial, or whether they loop back into the transmission system; (2) whether energy flows only in one direction, from the transmission system to the customer over the facilities, or in both directions; (3) whether the transmission provider is able to provide transmission service to itself or other transmission customers over the facilities; (4) whether the facilities provide benefits to the transmission grid in terms of capability or reliability, and whether the facilities can be relied on for coordinated operation of the grid; and (5) whether an outage on the facilities would affect the transmission system. *Id.* at n. 31.

³ Opinion No. 487, 117 FERC ¶61,103 (2006) and Opinion 490, 117 FERC ¶61,212 (2006).

Attachment A

List of Facilities previously under CAISO Control that will become Radial Systems after Completion of the EKWRA Project⁴

- Acton-Ritter Ranch
- Acton-Palmdale-Shuttle
- Anaverde-Ritter Ranch
- Antelope-Anaverde-Helijet
- Antelope-Cal Cement
- Antelope-Del Sur-Glow
- Antelope-Del Sur-Rosamond
- Antelope-Lancaster-Oasis
- Antelope-Lancaster-Lanpri-Shuttle
- Antelope-Quartz Hill Circuit 1
- Antelope-Quartz Hill Circuit 2
- Antelope-Quartz Hill-Shuttle
- Antelope-Ritter Ranch Circuit 1
- Antelope-Ritter Ranch Circuit 2
- Antelope-Rosamond
- Bailey-Gorman
- Cal Cement-Goldtown-Monolith-Windland
- Cal Cement-Monolith-Rosamond-Windfarm
- Cal Cement-Monolith-Windparks
- Correction-Cummings-Kern River 1
- Corum-Rosamond
- Cummings-Monolith
- Del Sur-Lancaster-Riteaid
- Corum-Goldtown
- Gorman-Kern River 1
- Goldtown-Lancaster
- Lancaster-Littlerock-Piute
- Lancaster-Purify-Redman
- Helijet-Little Rock-Palmdale-Rockair
- Oasis-Palmdale-Quartz Hill
- Piute-Redman

⁴ (Including associated facilities, including breakers, disconnects, substations etc.)

List of Facilities previously under CAISO Control that will remain in Network Service after Completion of the EKWRA Project

- Bailey 220/66 kV Transformation
- Bailey 66 kV Bus positions 6, 7, 8, and 11
- Antelope-Neenach 66 kV line
- Bailey-Neenach-Westpac 66 kV line (Excludes Westpac leg which is Non-ISO today)
- Neenach Substation 66 kV Facilities
- Antelope 220/66 kV Transformation
- Antelope 66 kV Bus