

**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)

**COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
ON THE ALTERNATE PROPOSED DECISION**

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Pursuant to the Rule 14.3 of the Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits these comments in response to Commissioner Peterman’s *Alternate Proposed Decision Approving, in Part, Results of Southern California Edison Company (SCE) Local Capacity Requirements Request for Offers for Moorpark Sub-Area Pursuant to Decision 13-02-015* (the Peterman APD).

I. Introduction

The Peterman APD approves the 262 megawatt (MW) resource adequacy (RA) purchase agreement with NRG Energy Center Oxnard, LLC for a new simple cycle peaking facility known as the Puente Power Project (Puente Project) while deferring a decision on the 54 MW ten-year contract for refurbishment of the Ellwood power plant (Ellwood Project). The Puente Project is critical to addressing local capacity requirements (LCR) in the Moorpark sub-area. The CAISO supports the Peterman APD as a reasonable means to the meet the majority of the identified LCR need, but recommends that the Commission approve the Ellwood Project to address all needs in the Moorpark sub-area.

II. Discussion

A. The Puente Project

As demonstrated in the CAISO’s testimony in this proceeding, the full suite of resources selected in SCE’s Moorpark sub-area request for offers (RFO) is necessary, but not sufficient, to meet identified LCR in the Moorpark sub-area.¹ When combined with 87 MW of additional

¹ Prepared Direct Testimony of Neil Millar on behalf of the CAISO, p. 4:23-25.

achievable energy efficiency, the 274 MW of resources selected in the RFO can meet LCR needs.² The Puente Project provides 262 MW of the total capacity selected in the RFO. If the Puente Project is delayed, it will increase the possibility that there will be insufficient resources to meet local capacity requirements when generation facilities in the Moorpark sub-area retire at the end of 2020, in accordance with the State Water Resources Control Board's once-through-cooling (OTC) regulations.³

By approving the Puente Project, the Peterman APD would address the majority of the LCR deficiency in the Moorpark sub-area, though some incremental capacity will be needed if the Ellwood power plant is not refurbished and instead closes. In light of the identified reliability issues and short timeframe for replacing existing OTC units in the Moorpark sub-area, the Peterman APD appropriately finds that the Puente Project contract is reasonable and consistent with D.13-02-015 and that there is no compelling reason to delay approval until after California Energy Commission review of the project. As a result, the CAISO supports the Peterman APD.

B. The Ellwood Project

The Peterman APD notes that with the approval of the Puente Project and preferred resources in this proceeding, "SCE has filled more than the minimum procurement of 215 MW in the Moorpark sub-area required by D.13-02-015."⁴ As a result, the Peterman APD defers consideration of the Ellwood Project to "establish whether there is a separate reliability need in the Goleta area to consider the Ellwood refurbishment contract."⁵ As the CAISO stated in previous comments in this proceeding, the Ellwood power plant was modeled as operational in both Track 1 of the 2012 long-term procurement plan and the CAISO's most recent analysis of Moorpark sub-area needs conducted in this proceeding. As a result, if the Ellwood power plant retires or is unavailable in the future, it will increase the CAISO-identified LCR needs in the Moorpark sub-area on a MW-for-MW basis. If the Ellwood power plant is unavailable, there will be a residual need for resources in the Moorpark sub-area in the post 2020 time frame, even with the approval of the Puente Project. The CAISO believes that this need provides sufficient

² *Id.*

³ See the State Water Resource Control Board's once-through-cooling regulations item 26: (http://www.swrcb.ca.gov/water_issues/programs/ocean/cwa316/docs/policy100110.pdf).

⁴ Peterman APD, p. 25.

⁵ *Id.*

evidence to approve the Ellwood Project at this time. However, in the event the Ellwood Project is not approved at this time, future review of the Ellwood Project should consider both Moorpark sub-area LCR needs and Goleta area distribution-related needs.

III. Conclusion

The CAISO strongly supports the Peterman APD as a reasonable means to meet the majority of the identified LCR need in the Moorpark sub-area. In addition, the CAISO believes there is sufficient evidence in the record to support approval of the Ellwood Project to meet any residual LCR need.

Respectfully submitted

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