

Stakeholder Comments Template

2013-2014 CAISO Draft Transmission Plan and

February 12 Stakeholder Meeting

Submitted by	Company	Date Submitted
Dana Cabbell Garry Chinn Kevin Richardson Megan Mao Karen Shea	Southern California Edison	Feb. 26, 2014

I. SCE Supports the CAISO’s Southern California Reliability Assessment

Southern California Edison Company (SCE) appreciates the California Independent System Operator’s (CAISO’s) extensive study effort and thorough analysis in its 2013/14 Draft Transmission Plan, and supports the CAISO’s conclusions on recommending three projects in Southern California Reliability (SCR): 1.) Dynamic Reactive Support at San Luis Rey, 2.) a Flow control device at Imperial Valley, and 3.) the Mesa Loop-in Project.¹

SCE also supports that CAISO’s overall structure for its SCR study efforts by organizing it in three study groups:

Group I: Transmission upgrades optimizing use of existing transmission lines;

Group II: Transmission lines strengthen LA/San Diego connection – optimizing use of corridors into the combined area; and

Group III: New transmission into the greater LA Basin/San Diego area.

Regarding the Mesa Loop-in Project, SCE’s own analysis has confirmed the benefits of adding this project to address SCR.² SCE has performed preliminary work on the Mesa Loop-in Project and as soon as the Mesa Loop-in Project is approved by the CAISO Board as part of the CAISO 2013-2014 Transmission Plan SCE will move forward expeditiously to complete final design and engineering, and initiate efforts to obtain regulatory approvals.

¹ Capitalized terms used but not defined have the meaning ascribed to them in the CAISO tariff.

² Mesa Loop-In reduces the need for LCR resources in the LA Basin by between 734 MW and 1,196 MW, depending on assumptions regarding load shedding in the SDG&E area. See SCE testimony in the CPUC’s Long-Term Procurement Plan proceeding, R.12-03-014, Exhibit SCE-1, page 32, Table III-5 (comparing scenarios 1 v. 2 and 1S v. 2S).

II. Delaney-Colorado River 500 kV Line

SCE is appreciative of the CAISO for this stakeholder process, as well as the 2012-2013 Transmission Planning Process, and its restudy effort for the Delaney-Colorado River 500 kV line, which it has concluded is an economic transmission project.

SCE would appreciate clarification from the CAISO on the following issue:

- Will the Project Sponsor need to obtain a WECC Path Rating Study and would the CAISO undertake a Study of the Affected Systems with respect to the project?

As stated in Appendix F of the Draft Transmission Plan, once the Delaney-Colorado River 500 kV line is approved, the CAISO will request cost estimates from SCE for the facilities needed for the substation connecting to the new Delaney-Colorado River 500 kV line. SCE has the following questions for which it seeks clarification:

- How will the substation cost be incorporated into the bid process?
- How will the CAISO report back on any changes on the cost management aspect (e.g. any additional facilities identified by additional studies)?
- Please confirm that the point of ownership change will occur at the last structure (e.g. a tower) located outside of the Colorado River Substation. Please also confirm that the facilities interconnecting the Delaney-Colorado River 500 kV line project to existing substations will be owned and operated by the PTOs that currently own those substations. Will there agreements required between the Project Sponsor and APS/SCE? If so, what agreements are envisioned?
- Does CAISO expect that the Delaney-Colorado River 500 kV line substation costs will be recovered through the TAC by the Project Sponsor after it reimburses the PTO(s) for the substation work necessitated by the project?

Finally, the Delaney-Colorado River 500 kV line, as well as other projects subject to competitive solicitation, further demonstrates the need for the CAISO to consider increasing the priority of the Transmission Interconnection Stakeholder Initiative, and initiating a stakeholder process in 2014. In its 2013 Stakeholder Initiatives Catalog, the CAISO has indicated that it would address this issue in 2014 only if time permits. Given the expected increase in competition due to FERC Order 1000, the need is great for a smooth and clear process administering the transition from using the Transmission Owner Tariff (TO Tariff) to using the CAISO tariff. It is critical that transmission interconnection studies be considered comprehensively as part of the CAISO system so that all reliability impacts and associated solutions to address those impacts are identified.

III. Approved Project Sponsors for Composite Parts of a Substation

a. Having Multiple Project Sponsors for Composite Parts of a Substation Could Lead to Reliability Issues

Section 7.3 of the Draft Transmission Plan identifies Wheeler Ridge Junction 230/115 kV Substation and Estrella 230/70 kV Substation as reliability-driven transmission solutions eligible for competitive solicitation. SCE has some concerns about there being potentially two owners of facilities comprising one substation. Specifically, the Wheeler Ridge Junction Substation and the Estrella Substation both contain Regional and Local Transmission Facilities, as defined in Appendix A of the CAISO tariff, that could be owned and operated by more than a single entity.

In the case of the Wheeler Ridge Junction Substation, the 230 kV buswork and termination equipment, and the 230/115 kV transformers are eligible for competitive solicitation (these are new Regional Transmission Facilities), while the 115 kV buswork and termination equipment, and the reconfiguration of existing facilities will not be eligible (as these are existing and Local Transmission Facilities). The PTO in whose service territory the facilities are entirely located has the responsibility to construct, own, finance, and maintain Local Transmission Facilities and upgrades or additions to existing facilities, as per Section 24.4.10 of the CAISO tariff. If the PTO in whose service territory the substation is entirely located, in this case Pacific Gas & Electric Company (PG&E), is NOT the competitively-selected Approved Project Sponsor for the Regional Transmission Facilities, *then there could be two owners of different facilities within one substation.*

In much the same way, the Estrella Substation project scope consists of Local and Regional Transmission Facilities; the Regional Transmission Facilities will be up for competitive solicitation while the Local Transmission Facilities will be the responsibility of the PTO in whose service territory the substation is located, also PG&E, according to Appendix F of the Draft Transmission Plan.³ It is also true in the case of the Estrella Substation project that if the PTO in whose service territory the project is located is not the Approved Project Sponsor as a result of the competitive solicitation process, then there could be more than one owner of different facilities located within a single substation.⁴

Having more than one owner of substation facilities creates a concern of joint jurisdiction and control from a reliability perspective. Regional Facilities that are included in the competitive solicitation process should stop at the substation fence such that a substation only has one owner and operator. The Local PTO should own all the facilities within its substation, including the Regional Transmission Facilities of the Approved Project Sponsor. The Approved Project Sponsor would pay the Local PTO for the costs incurred within the substation to interconnect the Approved Sponsor's Project, and as with the Project line costs, it would recover those costs in its own Transmission Revenue Requirement.

The possibility having two owners within the same substation creates a NERC compliance concern with the determination of which entity is responsible for the maintenance and operations of the shared facilities. It should be made clear in either

³ CAISO Draft 2013-2014 Transmission Plan, Appendix F, Section F4.1, Page 11, Paragraph 6

⁴ CAISO Draft 2013-2014 Transmission Plan, Appendix F, Section F3.1, Page 7, Paragraph 4

the Interconnection Agreement or the Reliability Standards Agreement that there is a clear delineation of ownership and NERC compliance responsibility. Parties involved with owning and operating composite parts of a substation should not be held responsible for the NERC compliance of third party assets unless specifically addressed in an agreement.

b. Clarification is needed on Assignment of Ownership of Composite Part of Estrella Substation

The proposed Estrella 230/70kV Substation includes a 45MVA distribution transformer connected to the 230kV bus. Neither the Draft Transmission Plan itself nor Appendix F explains who would be responsible for construction and ownership of this distribution transformer. One would assume a new distribution transformer would be considered a Local Transmission Facility not eligible for competitive solicitation. As explained above, this could complicate operations if the Approved Project Sponsor and the PTO in whose service territory the substation is entirely located, PG&E, are not the same entity.

IV. SCE Supports the CAISO Advancing Non-Transmission Alternatives and Preferred Resources

SCE very much appreciates the steps the CAISO has taken to study Preferred Resources and Energy Storage characteristics in meeting Local Capacity Requirements (LCR) needs in addition to transmission and conventional generation options. These types of studies are good initial steps in taking a holistic view of all resource types and available options in meeting LCR needs. SCE recognizes that this is an evolving process and looks forward to continuing to work with the CAISO, and encourages the CAISO to continue to focus in this area. SCE looks forward to obtaining a set of necessary attributes and characteristics for Preferred Resources and Energy Storage that LSE's may use in meeting their LCR needs.

Technical Comments

I. Coolwater-Lugo Transmission Project

- a. On page 215 of the Draft Transmission Plan, the Coolwater-Lugo 230 kV line is listed in Table 5.5-6 entitled "Assumed network upgrades added to the database model." SCE believes that this is an error, and that the Coolwater-Lugo line ought to be placed in Table 5.5-4, "GIP-related network upgrades added to the database model" instead.

The reason for this is that the West of Devers 230 kV Reconductoring Project is also a Generator Interconnection Procedure (GIP)-related network upgrade, and is located in Table 5.5-4. The West of Devers and the Coolwater-Lugo Projects are listed together on page 10 in Table 2, "Elements of the 2013-2014 ISO Transmission Plan Supporting Renewable Energy Goals." These two projects should not be separated and treated differently from one another in another part of the document.

- b. Footnote 29, on page 215, states, "In the 'Assumed network upgrades' table, the listed network upgrades are needed to establish a feasible database to meet reliability standards and policy needs. These assumptions are for database modeling purposes and do not imply that the network upgrades will be approved and constructed." This footnote only applies to the Inyo 115 kV phase shifter, and should be removed from the Coolwater-Lugo upgrade.

Because of the signed Generator Interconnection Agreement (GIA) between Abengoa and the CAISO, the phrase "do not imply that the network upgrades will be approved and constructed" does not apply to the Coolwater-Lugo upgrade. This footnote should instead be attached to the Inyo phase shifter because this upgrade will likely be required and included in a future GIA for WDAT 315, a transition cluster project.

- c. Footnote 30, on page 215, states "Either the Coolwater – Lugo 230 kV line or equivalent transmission upgrade are needed to deliver the renewables in the Coolwater-Kramer area. Another alternative is the proposed AV Clearview Transmission. As a placeholder, the Coolwater – Lugo 230 kV line is used in the database modeling." This language should be removed.

No other GIP-related upgrade, other network upgrade, or assumed network upgrade has a footnote listing its system alternatives, so the Coolwater-Lugo Project ought not to be singled out in this way. Moreover, the characterization that the AV Clearview proposal is an "alternative" is not accurate and conflicts with CAISO's previous conclusion that the AV Clearview proposal "is not on its own an equivalent substitute for the Coolwater-Lugo 230 kV line in the context of the ISO Generation Interconnection study process."⁵

Lastly, the Coolwater-Lugo Project is subject to a fully executed LGIA which calls for full 250 MW deliverability by 2018⁶ and this deliverability date will not be met with the AV Clearview proposal. Unlike the Coolwater-Lugo Project which is a CAISO approved project⁷ with a FERC approved LGIA⁸ and is currently undergoing environmental review with the California Public Utilities Commission (CPUC)⁹ and the U.S. Bureau of Land Management, the AV Clearview proposal

⁵ CAISO, AV Clearview Phase I Transmission Project - New Alternative Evaluation, at pg 4 (August 2, 2013).

⁶ SCE, Large Generation Interconnection Agreement, filed November 30, 2010, FERC Docket No. ER11-2204-000, at pg 128.

⁷ CASIO, 2012-2013 Transmission Plan (March 20, 2013).

⁸ FERC, Order Conditionally Accepting Non-Conforming Large Generator Interconnection Agreement, Docket No. ER11-2204-000 eff. January 30, 2011.

⁹ SCE, Certificate of Public Convenience and Necessity (CPCN) Application filed August 28, 2013, CPUC Docket No. A.13-08-023.

is not a CAISO approved project¹⁰, does not have a LGIA, nor has any CEQA or NEPA environmental review begun on the proposal.¹¹

In fact, very little work has been done on the AV Clearview proposal according to AV Clearview's sponsor Critical Path Transmission which has gone on record stating that only a desktop routing and a siting study has been completed¹², no CEQA or NEPA application has been filed¹³, additional work will only begin once AV Clearview is CAISO approved project¹⁴, AV Clearview is not eligible for ratepayer cost recovery¹⁵, and AV Clearview cannot be evaluated by CAISO while the Coolwater-Lugo Project remains a CAISO approved project¹⁶.

Therefore, given also that SCE's CPCN Application for the Coolwater-Lugo Project is currently under review by the CPUC, it is unreasonable and inappropriate to include any reference to the AV Clearview proposal in the Draft Plan as an alternative to the Coolwater-Lugo Project.

II. North of Lugo Area

- a. The Eldorado-Baker-Cool Water-Dunn Siding-Mountain Pass 115 kV line, as mentioned on page 110, should be called the Ivanpah-Baker-Coolwater-Dunn Siding-Mountain Pass 115 kV line because of Ivanpah Substation's interconnection into that line, and because of SCE's Standard Operating Bulletin 123.
- b. The total generation in Table 2.7-5 on page 111 is listed as 2,698 MW, while the generation table on page A-16 of Appendix A lists the total generation as 2,559 MW. The two values should match.
- c. On page 112, it is stated that "An interim SPS will open the two 115 kV lines between Victor and Lugo if the voltage fails to recover for 2 seconds." However,

¹⁰ CASIO, 2012-2013 Transmission Plan (March 20, 2013).

¹¹ In the Matter of the Application of Southern California Edison Company (U338) for a Certificate of Public Convenience and Necessity for the Coolwater-Lugo Transmission Project, CPUC Docket No. A.13-08-23, Pre-hearing Conference (December 17, 2013), Critical Path representative Kevin Davis stated "No CEQA or NEPA application or notice of intent or preparation is currently on file with the Kern County Planning and Community Development Department", transcript at 56, lines 6-10.

¹² *Id.* Kevin Davis, "To date, we've performed a desktop routing and siting study complete with a proposed study area." Transcript at 54, lines 10-14.

¹³ *Id.* Kevin Davis, transcript at 56, lines 6-10.

¹⁴ *Id.* Kevin Davis, "But once the concept is an approved project, the appropriate notice will be submitted for review and approval by Kern County." transcript at 57, lines 16-19.

¹⁵ *Id.* Kevin Davis, "And as such, we have not yet been studied for inclusion in the ISO's transmission plan. Without inclusion in that transmission plan, we are not eligible for ratepayer cost recovery." transcript at 561, lines 8-12.

¹⁶ *Id.* Kevin Davis, "We have been informed by the ISO that they cannot under their current tariff, or the tariff at the point at which this comparison was initiated, evaluate this project unless there is demonstrated need. And the demonstrated need will not exist unless Coolwater-Lugo is removed from the base case. Coolwater-Lugo will not be removed from the base case unless it is determined that it will not be built, and will not be determined that it will not be built unless it fails to meet a CPCN." transcript at 61, lines 16-28, and "It is not eligible for inclusion in the transmission plan unless or until Coolwater-Lugo is removed, or other transmission planning factors change substantially." transcript at 62, lines 13-17.

there is no 115 kV at Lugo Substation, and thus no 115 kV line between Victor and Lugo. The CAISO should clarify whether this statement is referring to the Lugo-Victor No. 1 & No. 2 220 kV lines or the 115 kV lines between Kramer and Victor.

III. East of Lugo

On page 113, the bullet point saying “115 kV transmission line from Cool Water to Eldorado” should instead say “115 kV transmission line between Cool Water and Ivanpah,” as EITP looped Ivanpah there and rebuilt the last 35 miles of that 115 kV line back to Eldorado as 220 kV.

IV. Path 42’s path SOL in Table 2.3-5 May Need Clarification

On page 42, Table 2.3-5 shows Path 42’s path SOL as 800 MW. Based on SCE studies, the existing path rating is actually 600 MW, with a plan to go up to 1,500 MW. Until the rating reaches 1,500 MW, there would be an interim rating as generation is added.

SCE’s suggestion is to add a footnote to Table 2.3-5 stating that the current SOL is 600 MW and the SOL is expected to be 1,500 MW beginning in 2015.

V. Wheeler Ridge Junction Substation Definition needs to be Updated

In several places in the Draft Transmission Plan and the Appendices thereto, the Wheeler Ridge Junction Substation is referred to as a 230/115 kV substation as well as a 230/70 kV substation. Wheeler Ridge Junction Substation is a 230/115 kV substation, so references to it being a 230/70 kV substation should be corrected in the next version of the 2013-2014 Transmission Plan.