City of Victorville

14343 Civic Drive
P.O. Box 5001
Victorville, California 92392-5001

PHONE 760.955.5000
FAX 760.955.5199
http://victorvilleca.gov

Sent via e-mail to: regionaltransmission@caiso.com

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California Independent System Operator
Director, Regional Transmission
250 Outcropping Way
Folsom, CA 95630

Subject: **CITY OF VICTORVILLE'S COMMENTS ON THE 2013-2014 DRAFT TRANSMISSION PLAN**

The City of Victorville (Victorville) appreciates the opportunity to provide these comments to the 2013-2014 Draft Transmission Plan (Draft Transmission Plan) that was recently released by the California Independent System Operator (CAISO). Victorville is the owner and developer of the proposed Victorville 2 Hybrid Power Project (VV2 Project) to be located at the Southern California Logistics Airport on a 300-acre site in Victorville. The VV2 Project is proposed as a 563 megawatt (MW) hybrid natural gas-fired combined cycle and solar thermal power plant.

On February 28, 2007, Victorville filed an Application for Certification (AFC) to construct and operate the VV2 Project. On July 16, 2008, the California Energy Commission (CEC) issued Order No. 08-0716-2 approving the AFC and granting Victorville a certificate to construct and operate the VV2 Project. Pursuant to CEC regulation, the deadline to commence construction is five years from the effective date of the CEC's final decision. As a result of the severe recession that the nation experienced in 2008 and other key factors, development of the VV2 Project was delayed. On March 29, 2013, Victorville filed a petition with the CEC for an extension of the construction deadline. On June 12, 2013, the CEC adopted an Order granting Victorville's petition and extended the start-of-construction deadline for the VV2 Project for an additional five years, from July 16, 2013 to July 16, 2018.

The CAISO is nearing the end of its 2013-2014 Transmission Planning Process (TPP) and recently released its 2013-2014 Draft Transmission Plan. The Draft Transmission Plan includes recommendations on various transmission projects based upon reliability, economic or policy-driven criteria. One of the proposed transmission upgrades evaluated by the CAISO is Southern California Edison's (SCE) Mesa Loop-in project.

The CAISO's Draft Transmission Plan recommends approval of the Mesa Loop-in project as a reliability project. Victorville supports approval of the Mesa Loop-in project as part of the CAISO's final 2013-2014 Transmission Plan.

As described by SCE, the Mesa 500 kV Loop-in project would expand SCE's existing Mesa 230/66/16 kV Substation to include 500 kV service. This allows SCE to bring a new 500 kV electric service into its metropolitan load center. The project includes three 500/230 kV and three 230/66 kV transformer banks providing significant capacity to deliver power from the 500 kV transmission system to load in the LA Metro area. The Vincent-Mira Loma 500 kV, Laguna Bell-Rio Hondo 230 kV and Goodrich-Laguna Bell 230 kV lines will be looped into the expanded substation.

According to SCE, the Mesa Loop-in project was proposed, along with an additional 500 MW local resource capacity in the Western LA area, to:

- address the loading concerns identified in the CAISO's reliability assessment results;

- alleviate the increased overall loading on transmission facilities in the LA Metro area resulting from the retirement of the San Onofre Nuclear Generation Station (SONGS) and once-through cooling (OTC) generation as well as long term load growth in the LA metropolitan and San Diego areas; and

- reduce the amount of local capacity needed to replace retired generation.

The Mesa Loop-in project will provide significant capacity to deliver power from the 500 kV transmission system to load in the LA Basin. In Track 4 of the California Public Utilities Commission's (CPUC) Long-Term Procurement Plan (LTPP) proceeding (R.12-03-014), SCE noted that the Mesa Loop-in project will also reduce the amount of new generation required in the LA Basin by approximately 1,200 MWs (2,802 MW minus 1,606 MW). This is so because the Mesa Loop-in project, as stated by SCE, will allow greater flexibility for other generation locations to meet local reliability needs.[1] Specifically, the Mesa Loop-in project will allow out-of-LA Basin generation resources, like the proposed VV2 Project, to meet local reliability needs and provide other benefits to the LA Basin. As noted by SCE, such additional benefits would include a reduction in the amount of gas-fired generation "that would be sited in areas most affected by stringent air emission requirements, including those associated with fine particulate matter of less than 10 microns diameter (PM-10)...[while also] creat[ing] additional pathways for electricity to be imported to loads in the LA Basin, making the transmission grid more robust in its ability to meet future uncertainties."[2]

Victorville urges the CAISO to approve the Mesa Loop-in project as part of its 2013-2014 Transmission Plan. This important transmission project will reduce the amount of

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1 *See* Track 4 Testimony of Southern California Edison Company, Exhibit No. SCE-1, Rulemaking No. 12-03-014 (August 23, 2013).

2 *Id.*

LA Basin generation by nearly 1,200 MW and provide SCE with additional flexibility in choosing generation to assist in meeting local reliability needs.

For the reasons set forth above, Victorville respectfully requests that the CAISO approve the Mesa Loop-in project as part of its final 2013-2014 Transmission Plan.

Sincerely,

Douglas B. Robertson
City Manager

cc: Andre de Bortnowsky; Green, de Bortnowsky & Quintanilla, LLP
Scott Blaising; Braun Blaising McLaughlin & Smith PC