

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U338E) for a Permit to Construct Electrical Facilities: Eldorado Lugo Mohave Series Capacitor Project.

Application 18-05-007

**PROTEST OF
THE OFFICE OF RATEPAYER ADVOCATES**

I. INTRODUCTION

In accordance with Rule 2.6 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Office of Ratepayer Advocates ("ORA") submits this protest in the above-captioned proceeding, the application of Southern California Edison Company ("SCE") for a Permit to Construct ("PTC") certain transmission facilities comprising the Eldorado-Lugo-Mohave ("ELM" or "Proposed Project"). ORA protests and contests SCE's ELM application for the following reasons: (1) SCE's application does not comply with the Commission's General Order ("G.O.") 131-D and (2) SCE has not met its burden of proof demonstrating that the project is needed.

II. SUMMARY OF ORA'S RECOMMENDATIONS

- a) The Commission should reject SCE's ELM application without prejudice because it does not comply with GO 131-D, Section IX.A. If SCE decides to submit its proposal again for consideration, it should amend, update, and refile its application to request a Certificate of Public Convenience and Necessity ("CPCN") in compliance with G.O. 131-D's CPCN filing requirements. Alternatively, the Commission can, on its own volition, change the PTC to a CPCN and direct SCE to amend the application to comply with the GO 131-D CPCN requirements.
- b) If and when the Commission sets a procedural schedule, the schedule should provide adequate time for discovery, analysis of the application, and for parties to prepare testimony on the Proposed Project in the application.

III. FAILURE TO COMPLY WITH GENERAL ORDER 131-D

As filed, SCE's application violates G.O. 131-D. The application should be filed as a request for a CPCN, not as a PTC, because SCE is seeking authority to construct new 500 kiloVolt ("kV") transmission line facilities. G.O. 131-D, Section IX.A., states:

An electric public utility desiring to build transmission line facilities in this state for immediate or eventual operation in excess of 200kV shall file for a CPCN not less than 12 months prior to the date of a required decision by the Commission unless the Commission authorizes a shorter period because of exceptional circumstances.

The proposed Project includes, among other facilities:¹

- ◆ Two new 500 kV mid-line series Capacitors (i.e., the proposed Newberry Springs Series Capacitors and Ludlow Series Capacitors) and associated equipment.
- ◆ Approximately 235 miles of optical ground wire (OPGW) (173 miles on the Lugo-Mohave 500 kV Transmission Line, approximately 59 miles on the Eldorado-Mohave 500 kV Transmission Line, including approximately 3 miles of underground telecommunications facilities in the vicinity of Mohave Substation).
- ◆ Relocate, replace, or modify existing transmission, subtransmission, and distribution facilities at approximately 12 locations along the Eldorado-Lugo, Eldorado-Mohave, and Lugo-Mohave 500 kV Transmission Lines to address 14 potential overhead clearance discrepancies.
- ◆ Replace existing series Capacitors on the Lugo 500 kV Transmission Line, and install new terminal equipment on the Eldorado and Lugo 500 kV Transmission Lines at the existing Mohave Substation.
- ◆ Modify the ground wire peak of existing suspension towers used as splice locations for the OPGW work; some of these towers would also require minor modifications to the steel in the tower body.
- ◆ Install approximately 2 miles of overhead and approximately 500 feet of underground telecommunications facilities to connect the proposed Newberry Springs Series Capacitors and Ludlow Series Capacitors to SCE's existing

¹ SCE Application, at F-3.

system as one communication path (the telecommunications facilities would share the same poles with overhead distribution).

- ◆ Install approximately 2 miles of underground telecommunications facilities to connect the proposed Newberry Springs Series Capacitors and Ludlow Series Capacitors to SCE's existing system as a second communication path.
- ◆ Install underground telecommunications facilities from existing transmission structures to three fiber optic repeater sites—Barstow, Kelbaker, and Lanfair—within the Lugo-Mohave 500 kV Transmission Line right of way.
- ◆ Install approximately 1,000 feet of underground telecommunications facilities within the existing Lugo, Mohave, and Eldorado Substations.
- ◆ Perform modifications within the existing Lugo Substation on the existing series Capacitors and install new terminating equipment; remove two existing tubular steel poles (TSPs) within the substation and install two new TSPs within the substation on the Eldorado and Mohave 500 kV Transmission Lines.

In SCE's application, the Proposed Project has project elements that are transmission line facilities exceeding 200kV. G.O. 131-D, Section III.A, requires all electric utilities to seek a CPCN from the Commission to construct transmission line facilities operating at 200kV or more except for the replacement of existing power line facilities or supporting structures with equivalent facilities or structures, the minor relocation of existing power line facilities, the conversion overhead lines to underground, or the placing of new or additional conductors, insulators, or their accessories on or replacement of supporting structures already built.

In this application, SCE is proposing to construct, not replace, approximately 235 miles of brand new communication line facilities on existing 500kV transmission line facilities. The G.O. 131-D exemption does not apply to these facilities because the facilities are in excess of 200kV. In addition, SCE is proposing to increase the height of nine, 500kV towers, and modify fifty-nine others.² The exemption does not apply as the raising of 500kV towers

² SCE Application, at F-16.

results in structures not equivalent to the original towers. Therefore, SCE must be required to file a CPCN application in compliance with G.O. 131-D.³

ORA recommends that the Commission either reject SCE's ELM application without prejudice, allowing SCE to refile the application to comply with G.O. 131-D's CPCN requirements or alternatively, change the PTC application to a CPCN on its volition and direct SCE to amend the application to comply with the GO 131-D CPCN requirements.

IV. SCE HAS NOT MET ITS BURDEN OF PROOF BECAUSE THE APPLICATION IS INCOMPLETE

SCE states that the project is needed to integrate renewable generation and relieve area deliverability constraints and to help SCE meet its Renewables Portfolio Standard (RPS) of 33% by 2020.⁴ ORA disagrees with SCE that it needs the Proposed Project to integrate renewable generation to meet its RPS of 33% by 2030. As SCE noted in its 2017 final renewable portfolio standard procurement plan, it currently does not have a need for additional RPS-eligible energy to meet its RPS target by 2030.⁵ In addition, based on ORA's review, SCE's Application is incomplete and, lacks clarity and detail.⁶

A. Location of Series Capacitors

The ELM project would construct two new 500 kV mid-line series capacitors - Newberry Springs Series Capacitors and the Ludlow Series Capacitors.⁷ It is unclear from SCE's Application whether these capacitors are being installed inside or outside of an SCE existing substation fence. ORA requests that SCE clearly identify the location of the sites for

³ While SCE may try to claim that fiber optic cables are not transmission line facilities, ORA understands that SCE will seek to recover costs associated with the approximately 235 miles of new fiber optic cable in transmission rates. In addition, the project will not work without the inclusion of the new fiber optic cable.

⁴ SCE Application, p.3-4.

⁵ SCE's 2017 Final Renewable Portfolio Standard Procurement Plan, dated January 18, 2018; pp. 8-10.

⁶ ORA will propound discovery requests for SCE to clarify its application.

⁷ SCE Application, p.1.

the capacitors and whether these sites will be installed either within or outside of SCE's substation's existing fence.

B. Usefulness of Power

SCE states that one of the purposes of the ELM project is to integrate renewable generation and relieve area deliverability constraints. However, SCE does not indicate how the project will achieve this purpose. For proper integration of renewable generation, it is essential that a generator's energy is deemed useful. For energy to be useful, it must be deliverable, and also must be used to meet a load, or be stored, when it is generated. The application does not discuss how the ELM will integrate renewable energy and relieve area deliverability constraints.

C. Generator Identification

SCE claims in its Application that the Proposed Project is required because the existing Interconnection Agreements (IAs) require Full Capacity Deliverability Status (FCDS) for certain generation facilities.⁸ A generator with FCDS is able to fully deliver all of its rated output to the transmission system and is eligible to offer and provide Resource Adequacy (RA). However, SCE does not indicate which IAs require FCDS, nor does it demonstrate whether there is still a need for the planned generation resources. ORA recommends that SCE identify the generators interconnecting with the Proposed Project, including the rated output of the generator and the generators whose IAs require FCDS.

D. Necessity of Full Capacity Deliverability Status

Both FCDS and Energy Only (EO) projects have guaranteed energy production (GEP) requirements in their contracts where the project commits, in advance, the megawatt hours (MWh) it will deliver in a given period. An EO project is not able to fully deliver all of its rated output to the transmission system and is not eligible to offer and provide RA. The determination of a resource as FCDS or EO does not affect the RPS as long as it delivers the amount of energy it has promised. ORA questions SCE's reasoning for the necessity of these resources' FCDS to satisfy RPS, which is a fundamental objective of the ELM project.² Additionally, SCE does not

⁸ SCE Application, p.5.

² SCE Application, p.4.

provide any power flow models demonstrating that the FCDS of the unidentified resources in Ivanpah Valley, Nevada, and Arizona are necessary for meeting SCE's RPS of 33% by 2020.

E. Project Costs Need Justification

A PTC proceeding “focuses solely on environmental concerns, unlike the CPCN process which considers the need for and economic cost of a proposed facility.”¹⁰ If the SCE Application were granted as requested, ORA and the Commission would be unable to review the reasonableness of, and justification for, the ELM project costs. As the Commission stated in *Alberhill*:

[T]he reason for implementing the PTC procedure was that “under-200 kV projects pose little economic risk to ratepayers, and thus, absent the potential for environmental impacts and related California Environmental Quality Act obligations, would not otherwise trigger Commission pre construction review.”¹¹

However, SCE estimates a cost of \$225 million in 2018 constant dollars for the ELM project.¹² This cost represents a significant economic risk to ratepayers, one that would warrant review in a CPCN proceeding. ORA requests that the Commission reject the SCE Application and direct SCE to file an application for a CPCN, in accordance with GO 131-D, section IX, subdivision (A).

V. PROCEDURAL AND SCHEDULING ISSUES

ORA agrees that this proceeding is appropriately categorized as “ratesetting.” ORA also recommends that the Commission issue a ruling that changes the application filing requirements from a PTC to a CPCN pursuant to G.O. 131-D. ORA suggests that the issues of need and cost, as well as the need for testimony and evidentiary hearings, as well as any other procedural issues be addressed at the Prehearing Conference.

¹⁰ D.94-06-014, 1994 CPUC LEXIS 453; at *2 & *4.

¹¹ *Alberhill A.09-09-022 Ruling*, p.2-3.

¹² SCE Application, p.5.

VI. CONCLUSION

ORA recommends that the Commission either reject SCE's ELM application without prejudice, allowing SCE to refile the application to comply with G.O. 131-D's CPCN requirements. Alternatively, the Commission may change the PTC application to a CPCN on its volition and direct SCE to amend the application to comply with the GO 131-D CPCN requirements. In addition, ORA also recommends that the Commission adopt a procedural schedule that provides adequate time for discovery and analysis of the application.

Respectfully submitted,

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