

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 Facilities: Eldorado Lugo
Mohave Series Capacitor Project.

Application 18-05-007
(Filed May 2, 2018)

**REPLY BRIEF
OF THE PUBLIC ADVOCATES OFFICE**

NICHOLAS SHER
Attorney for the
Public Advocates Office

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-4232
Email: nicholas.sher@cpuc.ca.gov

October 26, 2018

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 Facilities: Eldorado Lugo
Mohave Series Capacitor Project.

Application 18-05-007
(Filed May 2, 2018)

**REPLY BRIEF
OF THE PUBLIC ADVOCATES OFFICE**

I. INTRODUCTION

Pursuant to Rule 13.11 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, and the Administrative Law Judge's (ALJ) September 7, 2018 ruling, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates)¹ submits this reply brief.

II. SUMMARY OF ARGUMENTS

- A. Series capacitors are transmission line facilities and are not "similar to" substations and should not be considered substations for permitting purposes;
- B. There is no California Independent System Operator's (CAISO) rebuttable presumption of need for the Eldorado-Lugo-Mohave Series Capacitor Project (ELM project); and
- C. General Order (GO) 131-D guidance and recent Commission precedent demonstrate that Southern California Edison (SCE)

¹ The Office of Ratepayer Advocates was renamed the Public Advocates Office of the Public Utilities Commission pursuant to Senate Bill No. 854, which was signed by the Governor on June 27, 2018 (Chapter 51, Statutes of 2018).

must file a Certificate of Public Convenience and Necessity (CPCN) for its ELM project.

III. DISCUSSION

In its opening brief, SCE attempts to sway the Commission into approving its Permit to Construct (PTC) application by now making the argument that series capacitors are “similar to” substations;² that the CAISO has already determined that the project is needed;³ and that General Order 131-D and precedent support SCE’s position.⁴ The Public Advocates Office addresses each of these arguments below and demonstrates that series capacitors are not “similar to” substations; this Commission has not awarded the CAISO a rebuttal presumption of need⁵; and that GO 131-D and precedent require the filing of a CPCN application for SCE’s ELM project.

A. **Series capacitors are transmission line facilities and are not “similar to” substations and should not be considered substations for permitting purposes.**

SCE now claims that series capacitors are “similar to” substations and therefore the filing of a PTC application was appropriate.⁶ However, the test is not whether the facility is *similar to* a substation, but whether the facility is a transmission line facility or whether it *is* a substation.⁷ An Overhead Ground Wire (OHGW) and an Optical Ground

² See, SCE opening Brief, p. 7-8. Recall, SCE first stated that series capacitors were the “functional equivalent of” substations; now they are “similar to” substations.

³ *Id* at 1.

⁴ *Id* at 5.

⁵ CAISO approval is irrelevant for purposes of determining whether a CPCN or a PTC application is warranted.

⁶ Prior to this statement, SCE claimed that series capacitors were functionally equivalent to substations but walked such back when the Public Advocates Office demonstrated that series capacitors do not act like substations and are thus not functionally equivalent to substations. (See, *Motion for Leave to File Reply of Southern California Edison Company (U-388-E) to The Office of Ratepayer Advocates’ Response to Southern California Edison’s Reply to The Office of ratepayer Advocate’s Protest*, p. 2.)

⁷ GO 131-D, III. A and B. Since series capacitors do not fall within the exemptions to a CPCN (series capacitors are not accessories, conductors or insulators), and since series capacitors are not substations, they are major transmission facilities that come with a major cost to ratepayers. SCE’s claim that it could have arguably proceeded without either a PTC or CPCN application finds no support in GO 131-D or in Commission precedent. (See, SCE opening brief, p. 10).

Wire (OPGW) are similar in that they look alike and are placed on transmission towers; however, while they both provide grounding, the OPGW provides an optical communication function and has a material and installation price difference. The fact that series capacitors and transformers are electrical equipment, their supporting components look similar, and they are both housed behind fences is irrelevant. As the Public Advocates Office pointed out in its prior submissions (1) series capacitors are modeled as transmission line segments by the Western Electricity Coordinating Council (WECC), the CAISO and SCE, not as substations;⁸ and (2) the function of series capacitors is “to increase the transfer capability of long transmission lines and provide transit control in the event of a power outage.”⁹ The main functions of substations, on the other hand, are to transform voltage up or down depending on whether the transformers are step-up or step-down and to switch transmission lines during planned or unplanned outages.¹⁰

B. There is no CAISO rebuttable presumption of need for the ELM project

It is not clear why SCE points out that the CAISO has approved the ELM project, as the Public Advocates Office has never questioned this fact. While the Commission established a rebuttable presumption regarding a CAISO need determination, the rebuttable presumption is only met once certain findings have been made, and in this case, none of the findings have been made.¹¹

⁸ See, the Public Advocates Office opening brief p. 7.

⁹ IEEE Std 824 Standard for Series Capacitor Banks in Power Systems page 5 and IEEE Std. 1726-2010 Draft Guide for the Specification of Fixed Series Capacitor Banks for Transmission System Application page 4.

¹⁰ SCE has now also come up with a new type of substation: a “series capacitor substation”. (See, SCE opening brief, p. 8.) The Public Advocates Office has never heard of a “series capacitor substation”.

¹¹ In order to establish a rebuttable presumption, (1) the CAISO Board must make explicit findings with regard to its economic evaluation; (2) the CAISO Board-approved evaluation must be submitted to the Commission within sufficient time to include it in the scope of the proceeding; (3) if the CAISO’s economic evaluation is out of date, the applicant shall submit additional information and shall provide an explanation of the additional information’s impact on the assumptions and conclusions contained in the evaluation; and (4) the CAISO needs to be a party to a proceeding in which a rebuttable is to be granted. See, D.06-11-018, pp. 23-26.

If, however, SCE is attempting to substitute the CAISO's need evaluation for the Commission's, SCE's attempt is misplaced. The Commission has a statutory obligation to make its own findings and conclusions, and the CAISO's determination has no bearing on whether SCE should have filed a CPCN versus a PTC application.

C. General Order 131-D guidance and recent Commission precedent demonstrate that SCE must file a CPCN for its ELM project.

In its opening brief, SCE fails to address (1) cost as guidance provided by the Commission when implementing GO 131-D, and (2) the Commission's *Alberhill* decision requiring SCE to refile a PTC application as a CPCN application.

As the Commission stated when approving the PTC process, CPCN applications are unsuited for below 200 kiloVolt (kV) projects because "under-200-kV projects pose little economic risk to ratepayers."¹² Here, the project is over 200 kV and the risk to ratepayers is quite large and as such, along with the burden of proof being on SCE, the Commission should err on the side of protecting ratepayers and should properly vet the need from an economic and reliability basis.

In addition, as pointed out in the Public Advocates Office's opening brief, SCE improperly ignores apposite Commission precedent by failing to mention or address the Commission's *Alberhill* decision.¹³

IV. CONCLUSION

Based on the foregoing, the Public Advocates Office respectfully requests that the Commission reject SCE's PTC for its ELM project and instead require SCE to file a CPCN application.

¹² 55 CPUC 2d 87, 101.

¹³ See, opening brief of the Public Advocates Office, pp. 4-6.

Respectfully submitted,

/s/ NICHOLAS SHER

NICHOLAS SHER

Attorney for the
Public Advocates Office

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Telephone: (415) 703-4232
Email: nicholas.sher@cpuc.ca.gov

October 26, 2018