

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of the Application of
SOUTHERN CALIFORNIA EDISON
COMPANY (U338E) for a Permit to
Construct Electrical Facilities with
Voltages between 50kV and 200 kV:
Valley-Ivyglen 115 kV Subtransmission
Line Project.

Application 07-01-031

And Related Matters.

Application 07-04-028
Application 09-09-022

**OFFICE OF RATEPAYER ADVOCATES’
REPLY COMMENTS ON ALTERNATE PROPOSED DECISION**

In accordance with Rule 14.3(d) of the Rules of Practice and Procedure of the California Public Utilities Commission, the Office of Ratepayer Advocates (ORA) hereby submits its reply comments regarding the Alternate Proposed Decision (APD) of Commissioner Guzman Aceves granting Southern California Edison Company’s (SCE) petition to modify its permit to construct the Valley-Ivyglen 115 kV Subtransmission Line Project (Valley-Ivyglen), and denying SCE’s application for a Certificate of Public Convenience and Necessity (CPCN) to construct the Alberhill System Project (Alberhill).¹

SCE’s criticisms of the APD and proposal to keep the proceeding open are without merit. The APD correctly denies a CPCN for Alberhill and closes the proceeding.

¹ ORA addresses primarily SCE’s opening comments on the APD. Silence on any issue should not be construed as support or agreement.

I. THE APD CORRECTLY CONCLUDES THAT ALBERHILL IS NOT NEEDED

A. The APD Correctly Concludes that SCE Has Not Demonstrated the Need for Alberhill

The APD states: “Absent a proven need to install additional capacity in the Valley South system, we do not find that the Alberhill project’s reliability and operational flexibility benefits are sufficient cause to approve the project.”² SCE asserts that this statement is “an inappropriate demand for ‘proof’” that “sets an unreasonably high bar for the approval of electrical system projects.”³ SCE, as the applicant, has the burden of proof in this proceeding and must affirmatively demonstrate the need for its proposed project.⁴ The APD correctly concludes that SCE has not demonstrated the need for Alberhill.⁵

B. The APD Correctly Considers the CAISO’s Forecasts in Determining that Alberhill Is Not Needed

Contrary to SCE’s assertions, the California Independent System Operator’s (CAISO) forecasts are relevant and are appropriately considered by the APD in evaluating project need. The APD notes that, notwithstanding SCE’s position that the CAISO’s and SCE’s forecasts are not directly comparable, the CAISO “predicts declining electric demand at the Valley South system.”⁶ While SCE does not disagree that its own forecasts predict decreasing rates of load growth, it nevertheless asserts that

² APD, p. 27.

³ SCE Comments, p. 7 (emphasis in original).

⁴ See, e.g., Decision (D.) 08-12-058, *Decision Granting a Certificate of Public Convenience and Necessity for the Sunrise Powerlink Transmission Project*, dated Dec. 18, 2008, p. 17 (The utility has the burden of affirmatively establishing the reasonableness of all aspects of its application; intervenors do not have the burden of proving the unreasonableness of the utility’s showing.)

⁵ See APD, pp. 23-28. SCE takes issue with the APD’s conclusion that SCE’s forecasts overestimate local area peak demand. (See SCE Comments, p. 8.) But SCE’s own comparison of adjusted 1-in-5 year heat storm peak demand and projected 1-in-5 year heat storm peak demand supports the APD’s conclusion. (See ORA Reply Comments on ALJ PD, p. 2.)

⁶ APD, p. 26.

Alberhill is needed because the rate of growth “remains positive.”⁷ SCE’s assertion does not support a finding that Alberhill is needed.

The APD correctly concludes that SCE’s successive forecasts have predicted decreasing rates of load growth and deferred the projected need for Alberhill from 2011 to 2021.⁸ SCE predicts load growth of 0.89 percent per year from 2017 to 2026,⁹ and SCE expects peak demand to exceed the 1,119 megavolt ampere capacity of the Valley South transformers, “in less than 4 years.”¹⁰ However, SCE’s projected demand value does not include the offsetting effects of “behind the meter generation” because SCE does not account for such resources in its planning activities.¹¹ In both its 2015-2016 and 2016-2017 Transmission Plans, the CAISO canceled numerous transmission projects that it deemed as no longer needed based on assessments of reliability, deliverability and local capacity requirements.¹² Similarly, in a 2016 report, the California Energy Commission addressed the potential for avoided transmission and the benefits of avoided costs resulting from deployment of distributed energy resources.¹³ Absent such considerations, SCE’s load forecast overstates the projected electrical demand for the Alberhill System Project.¹⁴

⁷ SCE Comments, p. 8.

⁸ See APD, p. 34, Finding of Fact (FOF) 21.

⁹ See APD, p. 26.

¹⁰ SCE Comments, p. 9.

¹¹ See ORA Opening Brief, p. 4.

¹² See ORA Opening Brief, pp. 2-3.

¹³ See ORA Opening Brief, p. 3. See also D.16-12-064, *Decision Granting Certificate of Public Convenience and Necessity to San Diego Gas & Electric Company to Improve Reliability in Its South Orange County Territory*, dated Dec. 15, 2016, p. 7: “It is accepted practice to utilize load forecasts prepared by the California Energy Commission as the basis of demand analysis.”

¹⁴ See FRONTLINES Opening Brief, p. 24: “These energy resources ... actually serve to *reduce* peak demand and ... when they are properly factored in, they render CAISO’s forecast and SCE’s forecast similar.”

II. THE APD CORRECTLY CLOSES THE PROCEEDING

The APD grants the permit to construct Valley-Ivyglen, denies the Alberhill project without prejudice, and closes the proceeding.¹⁵ SCE has the opportunity to submit a new application in the future if it can demonstrate need for the Alberhill project.¹⁶ There is no need to keep the current proceeding open as SCE proposes.

III. CONCLUSION

The APD properly concludes that Alberhill is not needed, and appropriately closes the proceeding.

Respectfully submitted,

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¹⁵ See APD, pp. 28 and 35 (Conclusions of Law 4 and 6).

¹⁶ See APD, pp. 28-29.