

Docket: : A.15-08-027
Exhibit Number : _____
Commissioner : Liane Randolph
Admin. Law Judge : Colette Kersten
ORA Analyst : Charles Mee
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ORA
OFFICE OF RATEPAYER ADVOCATES



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California Public Utilities Commission

PREPARED REBUTTAL TESTIMONY
OF THE OFFICE OF RATEPAYER
ADVOCATES ON THE
APPLICATION OF NEXTERA ENERGY
TRANSMISSION WEST, LLC
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
FOR THE SUNCREST DYNAMIC REACTIVE
POWER SUPPORT PROJECT

A.15-08-027

San Francisco, California
July 18, 2017

I. INTRODUCTION AND BACKGROUND

The Office of Ratepayer Advocates (ORA) submits this rebuttal testimony pursuant to the Assigned Commissioner's Scoping Ruling (Ruling) issued on February 24, 2017 in regards to NextEra Energy Transmission West, LCC's (NEET West) Application (A.) 15-08-027 (Application), seeking a Certificate of Public Convenience and Necessity (CPCN) for the Suncrest Static Volt-Ampere Reactive Compensator project (Suncrest SVC Project). The Suncrest SVC Project as proposed by NEET West would include a 300 Mega Volt-Ampere Reactive (MVAR) Dynamic Reactive Power Support facility project and related equipment as well as an approximately one-mile underground 230 kV transmission line that will connect the SVC to the Suncrest Substation. The Draft Environmental Impact Report (DEIR), published on November 23, 2016, identified the Suncrest Substation Alternative, which sites the SVC facility within the existing Suncrest Substation footprint, as the environmentally superior alternative. Parties submitted opening testimony on May 16, 2017.

II. DISCUSSION

A. The Suncrest Substation Alternative is Feasible.

The Suncrest Substation Alternative is feasible and no party's opening testimony refutes this. In fact, NEET West's testimony states that co-location is feasible from a technical and operations perspective as long as the two co-located utilities coordinate closely in terms of operations and maintenance.¹ Thus, ORA reiterates its recommendation that the California Public Utilities Commission (Commission) require NEET West and San Diego Gas & Electric (SDG&E) to coordinate with each other in order to construct the Suncrest Substation Alternative.²

1. Delay does not make the Suncrest Substation Alternative infeasible

ORA argued in its opening testimony that any delay that might result from constructing the Suncrest Substation Alternative does not require the California

¹ NEET West, Opening Testimony of Michael Lannon on Behalf of NEET West (Exhibit 3), May 16, 2017, p. 12.

² ORA, Opening Testimony, May 16, 2017, p. 16.

Independent System Operator (CAISO) to terminate the Approved Project Sponsor Agreement (APSA). Rather, CAISO has the discretion to determine whether it should terminate the APSA if a delay occurs. This discretion is provided in the APSA and acknowledged by CAISO in its letter to Federal Energy Regulatory Commission (FERC) implementing Order 1000.³ NEET West's opening testimony supports this. NEET West and CAISO plan to amend the original in-service date within the APSA once the Commission issues a final decision in recognition of the fact that the Environmental Impact Review (EIR) process can often result in a delayed in-service date.⁴

The CAISO conducted its solicitation for the Suncrest SVC Project because it identified a policy driven need.⁵ A policy driven need is one that is necessary to ensure delivery of renewable energy to the grid from areas where renewable generation occurs.⁶ This is in contrast to reliability- driven projects which address reliability concerns and ensure compliance with applicable North American Electric Reliability Corporation standards.⁷ Thus, a delay to this project could affect the deliverability of renewables and the state's ability to meet its Renewable Portfolio Standard goals, but would not affect the normal operation of the Suncrest Substation. In fact, CAISO has specified that where a project is delayed because of the permitting process, it will take steps to address potential reliability concerns, but has no specific contingencies for delays related to policy-driven projects.⁸ Therefore, any delay associated with this project will not affect reliability and does not make the Suncrest Substation Alternative infeasible.

³ ORA Opening Testimony, May 16, 2017, pp. 11-12.

⁴ NEET West, Opening Testimony of Michael Sheehan on Behalf of NEET West (Exhibit 1), May 16, 2017, p. 22.

⁵ CAISO, Suncrest Reactive Power Project - Project Sponsor Selection Report, January 6, 2015, p. 1, <http://www.caiso.com/Documents/SuncrestProjectSponsorSelectionReport.pdf>.

⁶ CAISO, 2015 - 2016 Transmission Plan, March 28, 2016, p. 6, <https://www.caiso.com/Documents/Board-Approved2015-2016TransmissionPlan.pdf>.

⁷ *Id.* at 5-6.

⁸ FERC Order on Compliance Filing, Docket Nos. ER13-103-000, ER12-2709-000, ER13-87-000, 143, April 18, 2013, para. 260; <https://www.ferc.gov/whats-new/comm-meet/2013/041813/E-2.pdf>.

2. The Commission should not rely on SDG&E's arguments regarding the necessity of a 15 foot setback

Additionally, NEET West argues that the project would limit flexibility and future expandability at the Suncrest Substation.⁹ However, this is based on SDG&E's erroneous argument that safety requirements necessitate a fence with a clearance of 15 feet 4 inches around that fence if the Suncrest SVC Project were built within the Suncrest Substation by NEET West.¹⁰ Thus, SDG&E argued that the Suncrest SVC facility would have to be located on the 500 kV switchyard of the Suncrest Substation in order to accommodate the setback.¹¹ However, according to SDG&E, locating the Suncrest SVC Project at this location within the Suncrest Substation would conflict with plans for the Suncrest Substation's future expansion.¹² In its opening testimony, ORA showed that an exception to this rule makes it inapplicable to internal fences within an electric supply station perimeter.¹³

3. Parties' arguments in regards to cost continue to be based on speculation

NEET West's opening testimony also raises the issue of costs that might be associated with siting the Suncrest SVC Project inside the Suncrest Substation.¹⁴ However, its concerns continue to be based on speculation because SDG&E has not provided NEET West with any information that could be used to make these estimates. ORA reiterates its recommendation that the Commission require SDG&E to provide NEET West the information necessary to make an accurate estimate on any additional cost associated with constructing the Suncrest SVC Project facility within the Suncrest Substation.¹⁵

⁹ NEET West (Exhibit 1), May 16, 2017, p. 40.

¹⁰ ORA Opening Testimony, Attachment 2, pp. 5-6.

¹¹ NEET West, Opening Testimony of Daniel Mayers on Behalf of NEET West (Exhibit 2), May 16, 2017, p. 22; ORA Opening Testimony, Attachment 2, pp. 5-6.

¹² ORA Opening Testimony, Attachment 2, pp. 5-6.

¹³ ORA Opening Testimony, May 16, 2017, p.9, Confidential Attachment 4: National Electric Safety Code 2017, Section 11: Power Arrangements in Electric Supply.

¹⁴ NEET West Exhibit 1, May 16, 2017, p. 39. NEET West 2, p. 21.

¹⁵ ORA, Opening Testimony, May 16, 2017, p. 18.

B. Exclusion of viable solutions located outside of a substation is contrary to FERC Order 1000

CAISO argues that if the Commission were to approve the Suncrest Substation Alternative, it would, in the future, exclude from competitive solicitation potentially viable solutions located outside the substation during Phase 2 of the transmission planning process.¹⁶ Thus, a transmission need which could be met through solutions both inside and outside of a substation would be limited to only inside solutions which automatically assures that only the incumbent transmission provider could build the project. This would be the case even where an outside solution is the environmentally superior alternative and costs for both types of projects are competitive. Such an exclusion would be antithetical to FERC Order 1000 which removed the right of first refusal for transmission facilities selected in a regional transmission plan for purposes of cost allocation as well as CAISO's own tariff which provides that all regional transmission facilities are subject to competitive solicitation "regardless of whether a transmission facility is needed for reliability purposes, for economic reasons, to meet public policy needs..."¹⁷

Furthermore, the CAISO's process allows stakeholders, such as the Commission and ORA, to provide input during the Phase 2 of the transmission planning process in which the CAISO identifies transmission solutions that are then included in the State's transmission plan.¹⁸ Since the CAISO's process allows for stakeholder input, it cannot act unilaterally in excluding certain solutions and the Commission should not allow the CAISO to use this argument to influence its decisions as the siting authority. ORA would also oppose this limitation on competition through any process allowing for stakeholder input as it is contrary to FERC Order 1000.

¹⁶ CAISO, Opening Testimony of Neil Millar on Behalf of the CAISO, May 16, 2017, pp. 13-14.

¹⁷ FERC Order 1000, para 225, <https://www.ferc.gov/industries/electric/indus-act/trans-plan.asp>; CAISO, June 4, 2010 Implementation Letter, FERC Docket ER 10-1401-000, para. 103, pp. 44-45. http://www.caiso.com/Documents/June4_2010Amendments-tariff-implementrevisedtransmissionplanningprocessindocketno_ER10-1401-000.pdf.

¹⁸ CAISO, 2015-2016 Transmission Plan, March 28, 2016, p.22. <https://www.caiso.com/Documents/Board-Approved2015-2016TransmissionPlan.pdf>.

C. The Commission should not consider whether to allow SDG&E to build the SVC facility within the Suncrest Substation

The California Unions for Reliable Energy (CURE) argues that if the Commission does not approve the Suncrest Substation Alternative, the Commission should allow SDG&E to build the Suncrest SVC Project.¹⁹ However, this is not the Application which is currently in front of the Commission. NEET West was the winner of the competitive solicitation held by CAISO.²⁰ CAISO found this bid to be superior to SDG&E's bid.²¹ Since the CAISO already determined which entity should build this project, the Commission should only consider whether NEET West should build the Suncrest Substation Alternative or the Proposed Project. If the Commission does not approve the Suncrest Substation Alternative, it should approve the Proposed Project, since the draft environmental impact report found that the environmental impacts can be mitigated.

III. CONCLUSION

ORA continues to recommend that the Commission bifurcate the proceeding to first consider the issue of whether it should require NEET West to site the project within the Suncrest Substation. As stated previously, the Suncrest Substation Alternative is superior because it would avoid most environmental impacts at a potentially lower cost. No party's opening testimony provides additional information which would support the argument that the Suncrest Substation Alternative is infeasible. Additionally, the Commission should not allow CAISO to usurp its siting authority through its competitive solicitation process. Lastly, ORA reiterates that if this Commission does not approve the Suncrest Substation Alternative, it should approve the Proposed Project instead.

¹⁹ CURE, Opening Testimony of David Marcus on Behalf of California Unions for Reliable Energy Re: Suncrest Project, May 16, 2017, p. 8.

²⁰ ORA, Opening Testimony, May 16, 2017, p. 19 -20.

²¹ ORA, Opening Testimony, May 16, 2017, p. 19 -20.