

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION★**

**RESOLUTION E-3526  
MARCH 26, 1998**

**RESOLUTION**

**RESOLUTION E-3526. SOUTHERN CALIFORNIA EDISON COMPANY (SCE) SEEKS COMMISSION APPROVAL OF A DEVIATION FOR DIVESTED GENERATION PLANTS FROM SCHEDULE S - STANDBY AND RULE 9, SECTION B.**

**BY ADVICE LETTER 1291-E, FILED ON FEBRUARY 25, 1998.**

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**SUMMARY**

1. Southern California Edison Company (SCE) is requesting in Advice Letter 1291-E, filed on February 25, 1998, a deviation for divested generation plants from (1) Schedule S - Standby and (2) Rule 9, Section B.
2. The Advice Letter filing also revises SCE's List of Contracts and Deviations to reflect these deviations.
3. A deviation from Schedule S is required to allow these divested plants to operate in parallel with the SCE electric system and acquire standby power.
4. A deviation from Rule 9, Section B is required to allow for the combining of meter reads (net metering) for auxiliary plant load at these divested plants.
5. No protests were filed.
6. This resolution approves SCE Advice Letter 1291-E on an interim basis, subject to further modification in Application (A.) 96-08-007.

**BACKGROUND**

1. On December 16, 1997, the Commission approved the sale of ten SCE generating stations (D.97-12-106).
2. Advice Letter 1291-E requests a deviation for divested plants from Schedule S - Standby to allow such plants to operate in parallel with SCE's electric system and obtain standby service. Auxiliary plant loads where the entire electrical requirements are not regularly supplied by SCE must take standby service on Schedule S, so that

electricity can be provided during times when the plant's total generation output is less than the plant's total electrical requirements. Standby service will also be required in some instances for start-up or emergency power when no plant generation is available. However, Schedule S – Standby only allows a Qualifying Facility, as defined under 18 CFR, Chapter 1, Part 292, subpart B, of FERC regulations, to operate in parallel with the SCE power grid. A deviation from Schedule S is required to allow the divested plant to operate in parallel with SCE's electrical system and obtain standby service.

3. Advice Letter 1291-E also requests a deviation for divested plants from Rule 9, Rendering and Payment of Bills, Section B, Reading of Separate Meters Not Combined to allow for the combining of meter reads (net metering) for auxiliary load equipment of such divested plants. At present, Rule 9 allows for the combining of meter data (net metering) only where specifically provided for in the applicable rate schedule or if such combining is deemed necessary for SCE's operating convenience. A deviation from Rule 9 is required to allow netting of auxiliary plant load against generation produced at the same plant as provided for in the ISO metering protocols. This deviation will allow divested generation plants to continue to operate as they have in the past, consistent with their design and construction.

#### NOTICE

1. In accordance with Section III, Paragraph G, of General Order No. 96-A, SCE mailed copies of this advice letter to other utilities and interested parties. Public notice of this filing has been made by publication in the Commission's calendar.

#### PROTESTS

1. No protests were filed.

#### DISCUSSION

1. As utility-owned generation plants, these plants were operated in parallel with the SCE electric system. As divested plants, these plants will continue to operate in parallel with the SCE electric system. This necessitates the requirement for these plants to acquire standby power and be allowed to combine meter reads (net metering) for auxiliary plant load. SCE's currently effective schedules do not allow for this type of operation.
2. If the entire electrical requirements at a divested plant are not regularly supplied by SCE, then the auxiliary plant loads of such a plant will need to take standby service

- on Schedule S. Standby service on Schedule S is needed so that electricity can be provided to the divested plant during times when the plant's total output is less than the plant's total electrical requirements. Standby service will also be required in some instances for start-up or emergency power when no plant generation is available.
3. If auxiliary plant load is not netted against generation produced at the same plant, then it would be served as retail load under existing retail tariffs. ISO metering protocols allow auxiliary plant electrical requirements to be netted against generator output provided the plant electrical requirements and generation are connected to the ISO grid or Utility Distribution Company (UDC) distribution system at the same point and voltage.
  4. At present, Rule 9, Rendering and Payment of Bills, Section B, Reading of Separate Meters Not Combined allows for the combining of meter data (net metering) only where specifically provided for in the applicable rate schedule or if such combining is deemed necessary for SCE's operating convenience.
  5. There is a need to have standby service for divested utility power plants available as of the start-up of direct access scheduled for March 31, 1998. However, the relationship between standby charges and the applicability of the Competition Transition Charge (CTC) to end-users and generators is currently an issue before the Commission in A.96-08-007 et al. Because of the need for standby service, Energy Division recommends SCE's request on an interim basis, subject to further modification as a result of Commission action in A.96-08-007 et al. Adoption of this resolution is non-precedential and does not prejudice any outcome in A.96-08-007 et al.
  6. Energy Division recommends approval of SCE Advice Letter 1291-E on an interim basis.

**FINDINGS**

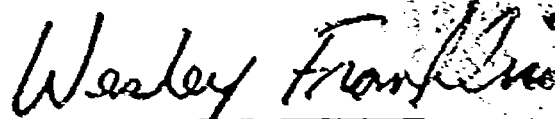
1. SCE filed Advice Letter 1291-E on February 25, 1998 requesting approval of a deviation for divested generation plants from (1) Schedule S – Standby and (2) Rule 9, Section B.
2. At present, Schedule S – Standby only allows a Qualifying Facility, as defined under 18 CFR, Chapter 1, Part 292, subpart B, of FERC regulations, to operate in parallel with the SCE power grid. SCE requests a deviation from Schedule S to allow these facilities to acquire standby power.
3. A deviation from Rule 9 is required to allow netting of auxiliary plant load against generation produced at the same plant. This deviation will allow the divested generation plants to continue to operate as they have in the past.
4. The relationship between standby charges and the applicability of the Competition Transition Charge to end-users and generators is currently an issue before the Commission in 96-08-007 et al.
5. Because of the need for standby service, Energy Division recommends approval of SCE's request on an interim basis subject to further modification as a result of Commission action in A.96-08-007 et al.
6. Adoption of this resolution is non-precedential and does not pre-judge any outcome in A.96-08-007 et al.
7. Energy Division recommends approval of SCE Advice Letter 1291-E on an interim basis.

March 26, 1998

**THEREFORE, IT IS ORDERED THAT:**

1. SCE Advice Letter 1291-B is approved on an interim basis subject to further modification as a result of Commission action in A. 96-08-007 et al.
2. Advice Letter 1291-B shall be marked to show that it was approved by Commission Resolution E-3526.
3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 26, 1998. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

Richard A. Bilas, President  
P. Gregory Conlon  
Jessie J. Knight, Jr.  
Henry M. Duque  
Josiah L. Neep  
Commissioners