

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

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local Procurement Obligations.

Rulemaking 11-10-023
(Filed October 20, 2011)

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK
ON THE CAISO'S 2013 LOCAL CAPACITY TECHNICAL ANALYSIS,
FINAL REPORT AND STUDY RESULTS**



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I. INTRODUCTION

In accordance with the *Phase 1 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge* of December 27, 2011, The Utility Reform Network (TURN) submits the following reply comments related to the CAISO's *2013 Local Capacity Technical Analysis, Final Report and Study Results (2013 Study)*, dated April 30, 2012.¹ These reply comments touch briefly on the only other comments TURN received – those the San Diego Gas & Electric Company (SDG&E) filed addressing the *2013 Study's* findings regarding the Local Capacity Requirements (LCR) in SDG&E's service territory.

II. THE COMMISSION SHOULD ADOPT TURN'S OR SDG&E'S APPROACH TO 2013 SAN DIEGO SUB-AREA LCR.

SDG&E urges the Commission to ensure that SDG&E's electric customers receive the full LCR benefits the Sunrise Powerlink transmission line (Sunrise) should provide by setting only the LCR for the San Diego – Imperial Valley (SD-IV) area at this time, rather than also adopting the LCR for the San Diego Sub-area (SD Sub-area) identified in the *2013 Study*.² SDG&E opposes the Commission's adoption of the SD Sub-area LCR identified in the *2013 Study* because doing so would effectively “foreclose the option of relying on controlled load drop for the SD Sub-area, a decision that could reduce the value of Sunrise for many years into the future.”³ Instead, SDG&E recommends that the Commission remain silent on the SD Sub-area

¹ The CAISO served the *2013 Study* May 2; the study is also available at http://www.caiso.com/Documents/Final2013LocalCapacityTechnicalStudyReportApr30_2012.pdf.

² SDG&E May 7 Comments, pp. 3-4.

³ SDG&E May 7 Comments, p. 4.

“until the load-shedding issue is resolved between SDG&E and the ISO.”⁴ SDG&E indicates that it expects the CAISO to ultimately accept the use of controlled load drop for the purposes of establishing SD Sub-area LCR in 2013.⁵

TURN proposed a different approach to providing SDG&E’s electric customers with the same intended LCR benefits of Sunrise. As noted in TURN’s comments, these benefits could be provided by Commission adoption of a San Diego Sub-area LCR of 2,192 MW.⁶ SDG&E likewise explains that it “projects the [San Diego] Sub-area LCR could go down by up to 378 megawatts if the California ISO allowed enough load shedding to make the Category B (“G1/N1 contingency”) event the most limiting case.”⁷ If this amount, 378 MW, is subtracted from the 2,570 MW San Diego Sub-area LCR the CAISO identified, the net LCR would be the 2,192 MW amount TURN proposed in its comments.⁸

TURN appreciates SDG&E’s efforts on behalf of its ratepayers and expects that SDG&E’s approach would yield significant benefits, too. Accordingly, TURN recommends that the Commission either adopt SDG&E’s approach of staying silent on the SD Sub-area LCR at this time or adopt TURN’s 2,192 MW LCR for the SD Sub-area. Either approach would appropriately extend to SDG&E’s ratepayers the LCR benefits of Sunrise.

If the Commission adopts SDG&E’s approach to SD Sub-area LCR, TURN agrees with SDG&E that it would be preferable for SDG&E and the CAISO to resolve the load shedding issue without the Commission’s further involvement, at least as to 2013 LCRs. This process

⁴ SDG&E May 7 Comments, p. 4.

⁵ SDG&E May 7 Comments, p. 3.

⁶ TURN May 7 Comments, pp 1-3.

⁷ SDG&E May 7 Comments, p. 3.

⁸ *2013 Study*, p. 100; TURN’s May 7 Comments, p. 1-2. The 2,714 MW LCR TURN cited in its comments included “deficiencies” due to a lack of resources in other Sub-areas inside the San Diego sub-area.

