

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate
and Refine Procurement Policies and
Consider Long-Term Procurement Plans.

Rulemaking 12-03-014
(Filed March 22, 2012)

**JOINT REQUEST
OF THE OFFICE OF RATEPAYER ADVOCATES,
CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE AND
SIERRA CLUB CALIFORNIA FOR HEARINGS**

DIANA L. LEE
MATT MILEY
Attorneys for the
Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703- 4342
Fax: (415) 703-4432
Email: diana.lee@cpuc.ca.gov

PAUL R. CORT
WILLIAM B. ROSTOV
Attorneys for Sierra Club California
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
Phone: (415) 217-2000
Email: pcort@earthjustice.org
wrostov@earthjustice.org

SHANA LAZEROW
Communities for a Better Environment
1904 Franklin Street, Suite 600
Oakland, CA 94612
Tel: (510) 302-0430
Email: slazerow@cbecal.org

JAMES CORBELLI
Attorney for California Environmental Justice
Alliance
Environmental Law and Justice Clinic
Golden Gate University School of Law
536 Mission Street
San Francisco, CA 94105-2968
Phone: (415) 369-5351
Email: jcorbelli@ggu.edu

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I. INTRODUCTION

The Office of Ratepayer Advocates (ORA),¹ Sierra Club California, and the California Environmental Justice Alliance submits the request for hearings on issues in Track 4 of this proceeding, which considers the local reliability impacts of the permanent shutdown of the San Onofre Nuclear Generating Station (SONGS).² ORA, Sierra Club California, and CEJA respectfully submit that hearings are necessary to consider factual issues related to the use of a Special Protection System (SPS) to address an N-1-1 contingency in the SONGS study area³ and to evaluate the basis for any finding of need in the SONGS study area in light of the different assumptions used in the power flow studies.

II. DISCUSSION

A. Issues of fact exist regarding the use of a Special Protection System to meet an N-1-1 contingency in the SONGS study area.

In calculating the amount of local capacity requirements (LCR) for the SONGS study area, the California Independent System Operator Corporation (CAISO), Southern California Edison Company (SCE) and San Diego Gas & Electric Corporation (SDG&E) take different approaches to acceptable mitigation strategies for an N-1-1 contingency consisting of the outage of the Sunrise Powerlink, system readjusted, followed by the outage of the Southwest Powerlink. The CAISO does not include the effect of a load-shedding SPS when considering need and instead assumes that new generation is needed to resolve the contingency.⁴ SDG&E does not directly include the effect of any load shedding SPS when considering the range of need even though it acknowledges the presence of a Western Electricity Coordinating Council (WECC)-approved SPS for the key N-1-1 contingency event.⁵ SDG&E, as does CAISO, assumes new generation is needed to resolve the contingency.

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which the Governor approved on September 26, 2013.

² Revised Scoping Ruling and Memo of the Assigned Commissioner and Administrative Law Judge, May 21, 2013.

³ The SONGS study area is the Los Angeles (LA) Basin local area and the San Diego sub area, which comprises SDG&E's entire service territory.

⁴ Reply Testimony of Robert M. Fagan of behalf of DRA, Track 4, SONGS Outage, September 30, 2013 (Fagan Reply Testimony), Attachment B (CAISO Data Request Response 2).

⁵ Prepared Track 4 Direct Testimony of San Diego Gas & Electric Company, August 26, 2013, John M. Jontry (SDG&E Opening Testimony/Jontry, p. 7).

SCE uses the WECC approved SPS in its calculations, but then requests additional procurement authority in recognition of the fact that CAISO does not use this SPS for its long term planning.⁶ SDG&E does not attempt to reconcile SCE's use of load-shedding SPS in the event of the N-1-1 contingency event with SDG&E's failure to assume an SPS.

Whether or not the Commission considers the use of an SPS in the event of the N-1-1 contingency apparently makes a difference of up to 1000 MW difference in the determination of need.⁷ The CAISO and SDG&E testimony to date contains little evidence in support of the decision to exclude the use of a WECC-certified SPS from its calculation of LCR need in the SONGS study area.

Hearings would help ascertain facts related to this decision, including whether any cost-benefit analysis has been conducted; if, in the absence of such analysis exclusion of an SPS from consideration is reasonable; how often the expected N-1-1 contingency is likely to happen given the operating history of the Sunrise Powerlink and the Southwest Powerlink; and whether the addition of more capacity is more likely to maintain grid reliability rather than use of the SPS.

B. Issues of fact exist regarding the determination of need.

The issue of need and the assumptions of how need was determined are contested in the testimony. CAISO, SCE and SDG&E did not use consistent assumptions in the power flow modeling each of them completed and some of the assumptions were inconsistent with the revised scoping memo.⁸ The assumptions used to determine need are critical when deciding whether the Commission should authorize SCE and SDG&E to procure resources to meet LCR need given the shutdown of SONGS.

⁶ Track 4 Testimony of Southern California Edison Company, August 26, 2013 (SCE Opening Testimony), pp. 6-7.

⁷ SDG&E Opening Testimony/Jontry, p. 7; SCE Opening Testimony, p. 6.

⁸ See SCE Opening Testimony, pp. 14: 6-21, 26:4, 29: 7; SDG&E Opening Testimony/Anderson, p. 5:18-21; Track 4 Testimony of Robert Sparks on behalf of the California Independent System Operator Corporation, August 5, 2013, pp. 3:16 – p. 13:15; Fagan Reply Testimony, pp. 12: 15 –15:4; Prepared Direct Testimony of Julia May on behalf of the California Environmental Justice Alliance regarding SONGS Retirement, Track 4, September 30, 2013, pp. 14-28.

III. CONCLUSION

Significant questions of material fact remain before the Commission can determine the amount of LCR need that exists given the shutdown of SONGS. Among the key issues are whether it is reasonable to exclude use of an SPS as a means of addressing the limiting N-1-1 contingency, and whether the scenarios that SCE, SDG&E and the CAISO used to determine need are reasonable given the different underlying assumptions.

Hearings on these issues are necessary to develop an evidentiary foundation for the findings and conclusions the Commission must make before determining LCR need in Track 4. In the event the ALJ and assigned Commission decide that hearings are not necessary, ORA, Sierra Club California and CEJA respectfully request that parties be given the opportunity to file briefs related to the Track 4 determination of need.

Respectfully submitted,

/s/ **DIANA L. LEE**

Diana L. Lee
Staff Counsel

MATT MILEY

Attorneys for the Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-2360
Fax: (415) 703-4432

/s/ **PAUL R. CORT**

Paul R. Cort

WILLIAM B. ROSTOV

Attorneys for Sierra Club California
Earthjustice
50 California Street, Suite 500
San Francisco, CA 94111
Phone: (415) 217-2000
Email: pcort@earthjustice.org
wrostov@earthjustice.org

/s/ **JAMES CORBELLI**

James Corbelli

Attorney for California Environmental Justice
Alliance
Environmental Law and Justice Clinic
Golden Gate University School of Law
536 Mission Street
San Francisco, CA 94105-2968
Phone: (415) 369-5351
Email: jcorbelli@ggu.edu

/s/ **SHANA LAZEROW**

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1904 Franklin Street, Suite 600
Oakland, CA 94612
Phone: (510) 302-0430
Email: slazerow@cbecal.org

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