

Docket No.: R.12-03-014

Exhibit No.: _____

Date: October 14, 2013

Witness: William A. Monsen

**REBUTTAL TESTIMONY OF WILLIAM A. MONSEN ON BEHALF OF THE
INDEPENDENT ENERGY PRODUCERS ASSOCIATION CONCERNING TRACK 4 OF
THE LONG-TERM PROCUREMENT PLAN PROCEEDING
(with Errata)**

Table 1 - Parties Supporting Interim Procurement

Party	Rationale for Interim Procurement
SCE	Expedited procurement action is warranted given permanent closure of SONGS; the results of CAISO's additional analysis will be known before individual contracts are approved. ⁱ
SDG&E	"A complete halt to LCR procurement authorization is highly imprudent given the magnitude of the need in a combined OTC [once-through cooling] shutdown and SONGS -out environment. Instead, the Commission should take a compromise approach of authorizing SDG&E to move ahead with some long lead time procurement while leaving a portion of the need open for refinement as additional studies are undertaken." ⁱⁱ
CAISO	CAISO would not object to an interim decision concerning SCE's and SDG&E's request for immediate procurement authorization, provided the interim procurement authorization is contingent upon CAISO transmission study results. ⁱⁱⁱ
Pacific Gas and Electric Company (PG&E)	The Commission has sufficient information at this time to make a need determination and procurement authorization in Track 4 of this proceeding, and time is of the essence in light of significant scheduled once-through cooling (OTC) retirements in 2017 and 2020 in southern California. ^{iv}
TURN	"I recommend the Commission authorize both SCE and SDG&E to solicit an additional 500 MW each of local resources on an 'all source' basis..." ^v
AES Southland	Studies performed for AES Southland confirm that at least the amounts requested for interim procurement by SCE and SDG&E will be needed in the SONGS study area. ^{vi}
NRG Energy	"Loss of SONGS Units 2 and 3 Creates An Immediate and Significant Need for New Reliability Services... While the CAISO's August 5 testimony in this proceeding identifies a need for 520 MW of new generation in Northwest San Diego County in 2018, the San Diego area already lacks the generation it needs to meet CAISO reliability criteria in 2013." ^{vii}
Wellhead	Recommends that procurement authorization proceed according to the current procedural schedule, with SCE's interim procurement incorporated into SCE's Track 1 Request for Offers (RFO) to promote efficiency. ^{viii}
Western Power Trading Forum (WPTF)	"SCE's recommendation to combine the Track 4 500 MW with its already authorized Track 1 procurement will serve to accelerate achieving a solution to the SONGS retirement that is timely and cost effective." ^{ix}
IEP	SCE and SDG&E should be authorized to procure a "no regrets" level of resources at the conclusion of the initial phase of Track 4, with additional procurement considered in a subsequent phase. ^x

ⁱ Track 4 Testimony Of Southern California Edison Company (SCE Track 4 testimony), served in R.12-03-014, August 26, 2013, p. 4.

ⁱⁱ Prepared Track 4 Direct Testimony Of San Diego Gas & Electric Company (SDG&E Anderson Track 4 testimony), served in R.12-03-014, August 26, 2013, p. 43.

ⁱⁱⁱ Comments Of The California Independent System Operator Corporation On Proposed Track 2 and Track 4 Procedural Schedules (CAISO Track 4 comments), filed in R.12-03-014, September 10, 2013, p. 4.

^{iv} 2012 Long-Term Procurement Plan Track 4 – Local Reliability Needs Without SONGS Prepared Testimony, served in R.12-03-014, September 30, 2013, pp. 1-3.

^v TURN Woodruff Track 4 testimony, p. 3.

^{vi} Track 4 Prepared Testimony Of Hala N. Ballouz On Behalf Of AES Southland, served in R.12-03-014, September 30, 2013, pp. 2-4.

^{vii} Track 4 Testimony Of Brian Theaker On Behalf of NRG Energy, Inc., served in R.12-03-014, September 30, 2013, p. 5.

^{viii} Opening Testimony Of Douglas E. Davie On Behalf of Wellhead Electric Company, Inc., served in R.12-03-014, September 30, 2013, p. 3.

^{ix} Testimony Of The Western Power Trading Forum on Track 4 Issues, served in R.12-03-014, September 30, 2013, p. 4.

^x IEP Mosen Track 4 testimony, pp. 87-8.

1

2 **Q. Do these parties agree regarding the amount of capacity to be procured or**
3 **the types of capacity to be obtained in an interim procurement?**

4 A. No. Some parties recommend using all-source solicitations for the interim
5 procurements (e.g., SCE, SDG&E, TURN, Wellhead, WPTF, and IEP) and some parties
6 explain how specific projects that they are developing can help meet the immediate need
7 (e.g., AES Southland, NRG Energy). There is some disagreement regarding the
8 recommended level of procurement by SCE and SDG&E through the interim
9 | procurement but all parties mentioned in

1 | ~~Table 1~~ Table 1 support interim procurement levels at least as large as recommended by
2 | SCE and SDG&E.

3
4 **Q. What do you conclude?**

5 A. While there may be differences between parties regarding the level of
6 procurement and the types of resources to be procured, there is broad agreement
7 among parties with widely different perspectives that the Commission should act
8 expeditiously to mitigate the risk of future resource shortfalls and order an interim
9 procurement based on the modeling and analysis presented to date.

10
11 ~~B. It is not reasonable to rely on curtailing firm loads to~~
12 ~~mitigate critical contingencies identified in the SONGS Study Area.~~
13

14 **Q. What is the primary reliability constraint in the SONGS study area**
15 **identified by the CAISO?**

16 A. According to CAISO witness Robert Sparks, “The primary reliability constraint
17 that drives resource needs [in the SONGS Study Area] is the post-transient
18 voltage instability concern under the most critical Category C overlapping outage
19 (N-1-1) of the Sunrise Powerlink, system readjusted, and then followed by the
20 outage of the Southwest Powerlink line.”⁹

21
22 **Q. Have certain parties proposed that curtailing firm load should be used to**
23 **mitigate the critical contingency identified by CAISO?**

⁹ Track 4 Testimony Of Robert Sparks On Behalf Of The California Independent System Operator Corporation (CAISO Sparks Track 4 testimony), served in R.12-03-014, August 6, 2013, p. 18.

1 **Q. Why did the CAISO conclude in A.11-05-023 that it is not appropriate to use**
2 **automated load shedding to mitigate the limiting N-1-1 critical contingency?**

3 A. Although load shedding can be used to mitigate the G-1/N-2 contingency,
4 “...with the more likely N-1-1 contingency [the CAISO] did not think it would be
5 prudent to plan the system that would rely on the same type of load shedding SPS
6 [Special Protection System].”¹³ During hearings in A.11-05-023, CAISO witness
7 Sparks clarified that while the CAISO wouldn’t necessarily rule out load shedding
8 to mitigate N-1-1 contingencies in all cases, in this case, given the history of fires
9 around the Imperial Valley substation, equipment failures, and the critical reliance
10 on that substation by SDG&E, the Imperial Irrigation District (IID) and Comisión
11 Federal de Electricidad (CFE), it was CAISO’s engineering judgment that load
12 shedding is not an appropriate mitigation to address this particular outage
13 scenario. Furthermore, given that approximately 370 MW of load shedding would
14 be required to mitigate the effects of the N-1-1 critical contingency, load shedding
15 could affect well over 300,000 homes in San Diego.¹⁴

16

17 **Q. What was the outcome of A.11-05-023?**

18 A. In D.13-03-029 the Commission approved the contract for the Escondido Energy
19 Center and identified a 298 MW local capacity resource need based on the results
20 of the CAISO’s local capacity requirements study in which the CAISO used the
21 N-1-1 critical contingency. In its decision, the Commission stated: “We are not

¹³ Supplemental Testimony Of Robert Sparks On Behalf Of The California Independent System Operator Corporation served in A.11-05-023, April 6, 2012, p. 4 (see Attachment F for excerpt).

¹⁴ CAISO opening brief, pp.19-24p. 16 (see Attachment D for excerpt).

1 planning assumptions.²⁷ Finally, various parties including CEJA and Sierra Club
2 advocate increasing the assumed quantity of storage resources in the SONGS
3 study area based on storage targets specified in the proposed decision in the
4 ongoing Storage Rulemaking (R.10-12-007.)²⁸

5

6 **Q. Should the CAISO, SCE, and SDG&E have considered changes to the**
7 **standard planning assumptions when completing the studies presented in**
8 **their respective opening testimony?**

9 A. No. It was appropriate for the CAISO, SCE, and SDG&E to perform the
10 reliability studies using the standard planning assumptions specified by the
11 Assigned Commissioner and ALJ for use in Track 4 of this proceeding. It is
12 unreasonable to suggest that either 1) the CAISO, SCE, or SDG&E should have
13 unilaterally changed the adopted planning assumptions for Track 4 or 2) the
14 studies should now be revised and a Track 4 decision delayed until after the
15 revised studies can be completed and subject to review.

16

17 **Q. If changes to planning assumptions are to be considered, when would be the**
18 **appropriate time to address such changes?**

19 A. The Assigned Commissioner and ALJ's Ruling on Track 2 and Track 4 schedules
20 stated that the results of the CAISO transmission planning process (TPP) would
21 not be considered in the current phase of Track 4, but could be the subject of a

²⁷ CEJA May Track 4 testimony, p.45; NRDC Martinez Track 4 testimony, p. 13; Sierra Club Powers Track 4 testimony, p. 1

²⁸ CEJA May Track 4 testimony, p.52; Sierra Club Powers Track 4 testimony, p. 1.