Rulemaking: 12-03-014 Commissioner: Michel Florio ALJ: David Gamson

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.	Rulemaking 12-03-014 (DMG) (Filed March 22, 2012)

SIERRA CLUB CALIFORNIA CORRECTIONS TO BILL POWERS CROSS EXAMINATION TRANSCRIPT

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

November 6, 2013

which you have -- you refer there to NERC standard TPL-001-01.

And looking now at our exhibit here, TPL-001-3, is this a copy of NERC Reliability Standards, the SC exhibit?

A Correct.

Q I'd like you turn in the cross-examination exhibit to the first page of the table. And look under Category C. And, specifically, look under Category C3.

Does this state that a C3 contingency would be a Category B contingency with manual system adjustments followed by another Category B contingency?

A That is what it says.

Q And were you aware that the Category C contingency analyzed by SCE was the loss of the Sunrise Powerlink followed by manual system adjustments and then followed by the loss of the Southwest Powerlink?

A Yes. I consider that a Category ~~B~~ C functionally and a Category D probabilistically.

Q Let's look here at the definition.

Would the Sunrise Powerlink be a Category B contingency?

A Correct.

Q And then it would be followed by manual system adjustments.

And then would the loss of the Southwest Powerlink also be a Category B contingency?

A Administratively, yes, from a Category C3. But my point is functionally it would be a Category D, N-1-1.

Q All right. Now, I'd like you to turn to the Category D on page A2 of the exhibit. Can you show me here on this what this functional D is? Where on this definition is this functional Category D?

A WECC has a process called performance category upgrade request, which SDG&E went through with the Sunrise Powerlink and SWPL to convert it from a Category C to a Category D. But I'm saying they could do the same thing under this circumstance with N-1-1. So the NERC standards allow for that. WECC standards allow for that.

Q But do NERC standards allow for that?

A Of course.

Q All right. I'd like to turn your attention to page two going back to your testimony SC-1. And look at the last page two looking at the last paragraph on that page. In the last sentence of that paragraph, you state, quote, "In contrast,

LADWP
LEDWP, whose service territory is surrounded by SCE and whose annual and peak load are greater than those of SDG&E, adheres to the NERC N-1 reliability standard and has maintained grid reliability and performance as good as or better than those of SCE and SDG&E," end quote.

When you refer here to the NERC N-1 reliability standards, are you referring to the reliability standards in -- that are encapsulated in part in our Cross Exhibit SCE-SC-X-1?

A Yes.

Q And turning now to your Exhibit SCE-1 to page eight, I'm looking at the last question and answer on the page. And there you state, quote, "After its power flow modeling -- after running its power flow modeling assumptions, an N-1-1 event in SDG&E territory causes ~~cause of~~ the N-1 presented in SCE territory, SCE concludes that no procurement of generation would be necessary to address the N-1 contingency in its territory."

In this sentence, when you talk about an N-1-1 event in SDG&E service territory, are you discussing the loss of the Sunrise Powerlink with manual system adjustments followed by the loss of the

Southwest Powerlink?

A Yes.

Q And what is the N-1 event in SCE territory?

A The N-1 at SCE is a -- I'd have to look at SCE's territory map that is in their SCE's opening testimony. They have a map that shows the event that is occurring in SCE territory on a segment of 230 kV line as a cascading response to that N-1-1 happening in SDG&E territory.

Q We can provide you -- we can provide you with a copy of our testimony, if that would be helpful for you to identify the line.

A It would be helpful.

MS. SCHMID-FRAZEE: Thank you.

ALJ GAMSON: We'll go off the record for a moment.

(Off the record)

ALJ GAMSON: Back on the record.

MS. SCHMID-FRAZEE: Q So, Mr. Powers, I have provided you with a copy of Exhibit SCE-1. And I have the map for you.

On page 25, is that the map that you're referring to?

A Correct.

Q And could you identify on that map

what the N-1 event is in SCE service territory?

A It's identified as a -- it's numbered two on this map. And explanation is rerouted power flows through SCE and overload transmission line and produce excessive voltage deviation. And ERO points to a stretch of the Serrano 230 kV line.

Q Mr. Powers, is an overload a contingency?

A Right.

Q And I was asking you about this Category C3 NERC contingency. And you were telling me about this WECC process to exempt a Category C3 NERC contingency as a Category D contingency.

Could you describe that process for me?

A I wouldn't call it an exemption. It's a probabilistic analysis. It's called a double-line outage probabilistic analysis. And six to seven different high voltage transmission lines had been converted from Category C to Category D over last decade by applying standard WECC methodology to downgrade a transmission line. And that is what happened with the Sunrise Powerlink and the Southwest Powerlink. In 2007, SDG&E

argues that the addition of preferred resources should not be considered as a serious alternative, and you are asked whether you agree with that position.

I guess my question is: Where ~~if~~ in IEP's testimony did you find the suggestion that preferred resources are not considered a serious alternative? Maybe I should start by asking whether you have a copy of that testimony before you?

A I do not.

ALJ GAMSON: We will go off the record.

(Off the record.)

ALJ GAMSON: Let's go back on the record.

Why don't we identify the IEP exhibits at this point.

MR. CRAGG: All right. Your Honor, the first exhibit which should be marked as IEP-1 is entitled 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).

I should explain that we have circulated errata to the testimony that was originally served on September 30th. This version was circulated yesterday to the

noncritical load for a matter of hours, it may cause no economic hardship.

Q Well, if you're shedding -- if you're blacking out 500 megawatts, are you going to affect some critical load?

A Unknown. You're talking to somebody from San Diego who was completely blacked out by an uncontrolled load shed. So I understand the difference between shedding 500 megawatts to keep us from going completely dark.

Q And the question is, if you're shedding 500 megawatts, aren't you going to be affecting some critical loads?

A We'd have to define critical load. Are we talking about critical care facilities and hospitals? Are we talking about comfort for employees in businesses? It's a different -- we'd have to define critical load before we presume that shedding load is going to cause hardship.

Q Well, in your response to one of my questions earlier you said that load shedding wouldn't necessarily affect -- it could be done without incurring additional costs to customers if noncritical loads were shed. So what did you mean by noncritical loads?

A I meant by those facilities except

manufacturing industries?

A It depends, but I would expect on a planned controlled load shed those that would be affected by that 500 megawatt load shed have been fully informed. They know that they are potentially going to be -- power could be cut under certain circumstances and that they have made some arrangements for that, that it should not be a shock to them that under an extreme demand condition they have been informed that their load could be cut and it is cut.

Q Were you here for the testimony by the ISO witnesses that they have some existing system, I think specific protection system that include a possibility of load shedding in 500 megawatt lots?

A In San Di -- for this particular situation?

Q Yes.

A Yes.

Q And is it your understanding that that shedding of 500 megawatts is -- that the customers who would be curtailed have been fully informed of that possibility?

A It is my position that the N-1-1 analyzed by the ISO is a Category D. It is an extreme event. And they do not have an

Commission the Commission would need that information. Are we getting -- are we getting additional reliability from all of the money that we're spending to meet G-1, N-1, and especially with this proposed N-1-1 is that we are in great need of an economic evaluation of what we would receive in return for all of this investment.

Q Is load shedding an appropriate response to contingencies under the G-1, N-1 criteria?

A Under the ISO standard it is not, though under NERC rules it would be considered a Category C. It would be a C3.

Q And is it your recommendation that that should be among the mitigation measures that are appropriate for -- under the current planning criteria?

A I do think we need an economic evaluation of that.

MR. CRAGG: Thank you, Mr. Powers. Those are all my questions. Thank you, your Honor.

ALJ GAMSON: Okay. Thank you very much. Is there any redirect for the witness?

MR. ROSTOV: Yes, there is.

///

///

REDIRECT EXAMINATION

BY MR. ROSTOV:

Q First, turning to page 11 of your opening testimony, SCE asked you a question about Figure 3.

A Yes.

Q And were you using Figure 3 in contrast to Figure 2?

A Yes.

Q Can you explain what the purpose of Figure 2 and Figure 3 were?

A Yes. And Figure 2 is a graphic of the current ISO planning standard limiting contingency G-1, N-1 in San Diego Gas and Electric's Service territory. And what it explicitly is is the loss of our biggest combined cycle plant, the Otay Mesa facility, and the loss of the Southwest Powerlink, which here is identified by the segment called ECO to Miguel.

However, it leaves a 500 kV link from Imperial Valley Substation to San Diego open so that generation currently connected to the Imperial Valley Substation is available as local capacity in San Diego.

By using this, and looking at Figure 3, by the ISO, by a process that is opaque, I have not seen any vetting of this