

**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 No. 12-03-014

(Filed March 22, 2012)

TRACK 4 REPLY BRIEF OF CALPEAK POWER, LLC

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December 16, 2013

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CalPeak Power, LLC (“CalPeak”) respectfully submits this Reply Brief in Track 4 of this Long Term Procurement Plan (“LTPP”) proceeding. On October 22, 2013, CalPeak moved for party status in this proceeding. Although ALJ Gamson has not yet ruled on the Motion for Party Status, CalPeak notes that the motion was uncontested by any other party in this proceeding, and respectfully requests that this Reply Brief be entered into the record for this proceeding pending the Motion for Party Status being granted.

Throughout Track 4 of this LTPP proceeding, it has become clear that new sources of reactive power will be needed to replace the voltage support functions previously served by the San Onofre Nuclear Generating Station (“SONGS”). CalPeak concurs with the observations made by the California Environmental Justice Alliance (“CEJA”) in its Opening Brief that “[r]eactive resources in the SONGS area are critical for avoiding voltage instability in the event of the driving contingency events”¹ and that “[b]oth SCE and SDG&E concur that reactive support and transmission improvements are key to replace SONGS.”² Likewise, CalPeak agrees

¹ CEJA Opening Brief at p. 32 (citing Exhibit ISO-1 (Sparks Opening Testimony)).

² *Id.* at p. 34 (citing SCE Track 4 Testimony, at 49:6-9; SDG&E Jontry Track 4 Testimony 7:14-19, 14:9-11).

with the Office of Ratepayer Advocates, which noted in its Opening Brief that “[r]eactive power is an essential component to a solution for the SONGS retirement.”³

The time to authorize additional procurement of voltage support resources is now, so that the Commission does not encourage the new development of unnecessary generation resources. As CEJA stated, “[n]o party disputes that reactive power solutions can reduce the need for new generation.”⁴ ORA further emphasized the point by noting that “CAISO’s analysis in its 2012-2013 Transmission Plan demonstrated that many hundreds of megawatts of procurement can be avoided by effectively deploying more reactive power.”⁵

However, CalPeak does not agree with ORA’s suggestion that there is necessarily a “potential gap between when the . . . additional reactive power resources are needed and when they are available.”⁶ In some instances, operating existing generating units as synchronous condensers may be accomplished quickly and economically, providing needed reactive power in the very near term. The Commission should accordingly direct SCE and SDG&E to explore procurement opportunities for cost-effective synchronous condensers to meet the recognized voltage support need left in the wake of SONGS prior to procuring any new generating resources.

³ ORA Opening Brief at p. 4.

⁴ CEJA Opening Brief at p. 12.

⁵ ORA Opening Brief at pp. 4-5.

⁶ *See id.*

Respectfully submitted,

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