

April 23, 2003

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Re: Southern California Edison Company's Comments on the California
Electricity Generation Facilities Standards Committee's Proposed
General Duty Standards

Dear Committee Members and Administrative Law Judges:


Southern California Edison Company ("SCE") hereby offers its comments on the California Electricity Generation Facilities Standards Committee's ("Committee") draft General Duty Standards issued on April 16, 2003. SCE's comments are detailed in the document attached to this letter.

SCE supports the objectives stated in the General Duty Standards. SCE endeavors to maintain and operate its generating facilities in a safe, reliable and efficient manner that is consistent with its utility obligation to meet customer demand and comply with CPUC rules and regulations, as well as the California Independent System Operator tariffs and protocols.

SCE submits the Committee should modify the General Duty Standards by inserting a reasonableness provision into the General Duty Standards such that the General Duty Standards have a degree of reasonableness and do not impose an absolute availability standard. SCE also believes the General Duty Standards should be clarified to make it clear that jointly-owned, out-of-state facilities are exempt.

SCE would like to thank the Committee for the opportunity to comment on the proposed General Duty Standards. We hope the Committee will find the attached comments useful in adopting workable standards that meet the intent of the California Public Utilities Code §761.3.

Very truly yours,



Larry R. Cope

cc: Electronic Service List, Rulemaking 02-11-039

LRC:as:Southern California Edison Company.doc

Enclosure(s)

**BEFORE THE CALIFORNIA ELECTRICITY GENERATION FACILITIES
STANDARDS COMMITTEE**

Rulemaking to Implement the Provisions)
of Public Utilities Code §761.3 Enacted by) R.02-11-039
Chapter 19 of the 2001-02 Second)
Extraordinary Legislative Session.)
_____)

**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON THE PROPOSED GENERAL DUTY STANDARDS**

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Dated: April 23, 2003

**BEFORE THE CALIFORNIA ELECTRICITY GENERATION FACILITIES
STANDARDS COMMITTEE**

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**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON THE PROPOSED GENERAL DUTY STANDARDS**

Southern California Edison Company (SCE) hereby offers its comments on the California Electricity Generation Facilities Standards Committee's ("Committee") proposed General Duty Standards, issued April 16 ,2003.

I.

SCE'S GENERATING FACILITIES

SCE owns, operates, and maintains a number of hydro generating facilities in California. SCE's 36 hydro generating plants consist of 79 generating units, 33 dams, 46 stream diversions, and 143 miles of tunnels, conduits, flumes, and flow lines. More than 60% of these hydro units are 10MW or smaller. SCE's total hydro resources have an aggregate generating capacity of 1,156 MW. Most of the hydro units are operated pursuant to Federal Energy Regulatory Commission ("FERC") licenses. The units were constructed over an extended period of time; some as early as 1893 and others as recently as 1999.

SCE has an interest in two nuclear generating facilities. SCE is the majority owner and operator of the San Onofre Nuclear Generating Station ("SONGS"), located in northern San Diego County, California and is a minority owner in the

Palo Verde Nuclear Generating Station, located outside of Phoenix, Arizona which has Arizona Public Service Company (“APS”) as the majority owner and operator. SCE is also a co-owner of two thermal coal-fired power plants located outside of California (the Mohave Generating Station in Laughlin, Nevada and the Four Corners Power Plant near Farmington, New Mexico).

A. Nuclear

Public Utilities Code Section 761.3 acknowledges that the operation and maintenance of many types of generating facilities are already subject to regulation by the Nuclear Regulatory Commission (“NRC”), the Federal Energy Regulatory Commission (“FERC”), and the California Independent System Operation (“CAISO”).

In that regard, the Committee has properly exempted SCE’s nuclear facilities from the General Duty Standards, since each of SCE’s nuclear facilities are federally regulated and subject to standards developed by the NRC. Moreover each of these facilities are members of the Institute of Nuclear Power Operations.

B. Hydro

The Committee must recognize that federally licensed hydro-electric facilities are regulated by FERC. The Committee should interpret the proposed General Duty Standards in a manner that does not result in any conflict between the State’s objectives and the FERC’s regulation of those hydro facilities. The proposed General Duty Standards are good, sound goals however they also could be broadly interpreted in such a way as to potentially conflict with the FERC’s regulation. The Committee should modify their proposed standards so they do not impose an

absolute duty of availability without considering good industry practices of maintenance and operation. This can be achieved by simply incorporating a reasonableness provision into the General Duty Standards.

C. OUT-of-STATE

SCE owns interests in two out-of-state coal-fired generating stations – Mohave and Four Corners. SCE would note that Mohave is located in Nevada and Four Corners is in New Mexico. Therefore, both are beyond the scope of PUC Code Section 761(3).¹ However, because Mohave delivers power into the CAISO, SCE believes it is important to make a couple of points with the Committee.

The Committee should be aware that SCE is a public utility and has an obligation to serve its customers, as such the General Duty Standards are generally consistent with SCE's obligations as a public utility. However, both out-of-state thermal coal-fired power plants are jointly owned which means that operation and maintenance of both facilities are decided upon by all the owners by unanimous consent such that operating and maintenance decisions are beyond SCE's unilateral control.

II.

DISCUSSION

SCE believes the proposed General Duty Standards are good, sound objectives that all utilities try to achieve. SCE strives to maintain and operate its generating facilities in a safe, reliable, and efficient manner in order to meet it's

¹ SB39(xx) Section 1.(a) and 1.(b) also see SB39(xx) Legislative Counsel's Digest (1)... "This bill would establish the California Generation Standards Committee, to adopt and revise standards for the maintenance and operation of facilities for the generation of electricity in California." (emphasis added)

utility obligations consistent with good industry practice. SCE does have a concern that the proposed Standards are too general such that they could be interpreted to require an absolute duty of availability, irrespective of the cost or good maintenance practices. For example the second standard could be interpreted to mean that the facilities must be available for a maximum amount of time. That type of availability would not be cost effective and could impose excessive costs on the generator and the ratepayer. Further, good maintenance requires outage time and even facilities with good maintenance practices will experience some unexpected forced outages. SCE believes this issue could be easily resolved by merely inserting a reasonableness standard in the second proposed General Duty Standard. The second Standard could read:

“All Facilities shall be maintained and operated so as to be reasonably available to meet the demand for electricity, and promote electric supply system availability.”

The purpose at the end of this process is to ensure that the generating facilities in California are being maintained and operated to the highest standards in a reasonable and prudent manner.

Respectfully submitted,
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LARRY R. COPE



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April 23, 2003

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of **COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON THE PROPOSED GENERAL DUTY STANDARDS** on all parties identified on the attached service list. Service was effected by one or more means indicated below:

- Placing the copies in properly addressed sealed envelopes and depositing such envelopes in the United States mail with first-class postage prepaid (Via First Class Mail);
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand to the offices of each addressee (Via Courier);
- Transmitting the copies via facsimile, modem, or other electronic means (Via Electronic Means).

Executed this **23rd day of April, 2003**, at Rosemead, California.



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