

May 19, 2003

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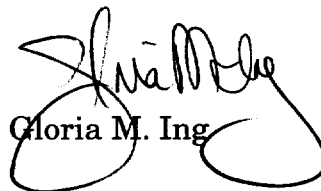
**RE: Southern California Edison Company's Comments On The California  
Electricity Generation Facilities Standards Committee's Proposed  
General Duty Standards And Hydroelectric Logbook Standards**

Dear Committee Members and LJ Sullivan:

Pursuant to the Committee's May 9, 2003 letter, Southern California Edison Company ("SCE") submits the following comments on the Committee's proposed General Duty Standards 4 – 6 and hydroelectric logbook standards. In its comments, SCE urges the Commission to adopt an exemption from the standards for generating facilities located outside of California and which have multiple owners. With respect to the Committee's proposed hydroelectric standard, SCE urges the Committee to not adopt the proposed standards because they do not take into account the nature and operating parameters of SCE's hydroelectric generating units. SCE has submitted a summary of its own internal procedures and intends to work with PG&E to discuss uniform hydroelectric logbook standards, which would be applicable for both companies.

SCE would like to thank the Committee for the opportunity to comment on the issues raised in the Committee's May 19, 2003 letter. We hope the Committee will find the attached comments useful in adopting fair, workable standards that meet the intent of the California Public Utilities Code § 761.3.

Very truly yours,



Gloria M. Ing

LW031350032.doc  
Enclosures

cc: Electronic Service List, Rulemaking 02-11-039  
(U 338-E)

**BEFORE THE CALIFORNIA ELECTRIC 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 (U338-E) ON  
THE CALIFORNIA ELECTRIC GENERATION FACILITIES STANDARDS  
COMMITTEE'S PROPOSED GENERAL DUTY STANDARDS AND PROPOSED  
HYDROELECTRIC LOGBOOK STANDARDS

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Dated: May 19, 2003

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

Rulemaking to implement the provisions of )  
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COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U338-E) ON  
THE CALIFORNIA ELECTRIC GENERATION FACILITIES STANDARDS  
COMMITTEE'S PROPOSED GENERAL DUTY STANDARDS AND PROPOSED  
HYDROELECTRIC LOGBOOK STANDARDS

**I.**

**INTRODUCTION**

Pursuant to the California Electricity Generation Facilities Standards Committee's ("Committee") May 9, 2003 letter, Southern California Edison Company ("SCE") provides the following comments on the California Electric Generation Facilities Standards Committee's ("Committee") proposed General Duty Standards 4, 5, 6. Notwithstanding the Committee's adoption of General Duty Standards 1, 2, and 3, the May 9, 2003 letter also indicates that parties may comment on General Duty Standards 1, 2, and 3.<sup>1</sup> The Committee also seeks comments on proposed logbook standards for hydroelectric plants. SCE's comments on the proposed hydroelectric logbook standards are also submitted below.

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<sup>1</sup> Letter, p. 3.

## II.

### PROPOSED GENERAL DUTY STANDARDS

SCE's concerns with respect to General Duty Standards 1, 2, and 3 are set forth in its April 23, 2003 letter to the Committee.<sup>2</sup> While SCE supports the Committee's intent and goals set forth in the Standards, the Standards are nevertheless fundamentally flawed because they do not address the concerns raised in SCE's comments, namely the need to exempt out-of-state coal-fired generating stations where there are multiple owners. Failure to address SCE's concerns will result in the adoption of standards that are so confusing that they are effectively rendered unworkable.

SCE's concerns of General Duty Standards 1, 2, and 3 are equally applicable to the Commission's proposed General Duty Standards 4, 5, and 6. **SCE therefore urges the Committee to include language to exempt from the standards generating facilities located outside of California and which have multiple owners.** Not only should the General Duty Standards not apply to out-of-state facilities, but the Generation Maintenance and Operations Standards should also not apply to these facilities for the reasons listed below. The exemption is necessary because:

- The Mohave Generating Station is owned, among others, by both the Los Angeles Department of Water and Power ("LADWP") and the Salt River Project Agricultural Improvement and Power District ("SRP"), in addition to SCE.<sup>3</sup> Facilities owned by LADWP and SRP are exempt from the Committee's Standards,<sup>4</sup> and therefore the Mohave

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<sup>2</sup> See Appendix A.

<sup>3</sup> The Mohave Generating Station is also owned by the Nevada Power Company, which is a Nevada corporation not regulated by the CPUC.

<sup>4</sup> See the General Duty Standards For Operation and Maintenance, adopted May 2, 2003 by the California Electricity Generation Facilities Standards Committee, mimeo p. 3, paragraph 6,

Continued on the next page

Generating Station should already be exempt from the Standards. This exemption should be explicit, so that there is no confusion over the validity of the exemption due to SCE's co-ownership of the Generating Station.

- The Four Corners Power Plant, of which SCE owns a minority interest, is outside the CAISO system. Arizona Public Service ("APS") is the operator of this plant, and pursuant to Section 7.3 of the Operating Agreement, no action may be taken by the Coordination Committee unless such action is agreed to by all participants. Therefore, while SCE may request that each facility be operated in accordance with California General Duty Standards, there is no reason to believe that APS will act in accordance with such a request which may be contrary to the interests of New Mexico, Arizona, and Texas, all of which have an interest in the Four Corners Power Plant.<sup>5</sup>
- The Four Corners Power Plant is outside the CAISO system and while SCE attempts to coordinate its share of the Four Corners generation with CAISO, the plant operator and other owners (which are exempt from the Committee and CPUC's jurisdiction) operate the plant in a manner consistent with their system's needs. As a practical matter, APS has no obligation to follow the Committee's proposed General Duty Standards.

In addition, SCE submits the following specific comments on General Duty Standards 4, 5, and 6:

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Continued from the previous page

which provides that the General Duty Standards do not apply to "[f]acilities owned by a city or county operating as a public utility furnishing electric services as provided in California Public Utilities Code § 10001."

<sup>5</sup> A similar provision exists in Section 9.8 of the Cotenancy Agreement for the Mohave Generating Station.

General Duty Standard 4: Proposed General Duty Standard 4 is inconsistent with Section 761.3 (c) of the Public Utilities Code Section which limits the Commission's ability to regulate wholesale sales in interstate commerce. Standard 4 is also inconsistent with Senate Bill XX 39 by prematurely assuming the CPUC has an enforcement role over facilities and over the participating generator agreement.<sup>6</sup>

General Duty Standard 5: Proposed General Duty Standard 5 appears unnecessary given that logbook standards for gas and coal fired facilities are in place and hydroelectric logbook standards are likely to be adopted. The utilities' obligations under this section are thus unclear and confusing.

General Duty Standard 6: Proposed General Duty Standard 6 appears unnecessary given that a General Duty Standard 1 and 2 already address operation and maintenance of facilities. The utilities' obligations under this section are thus unclear and confusing.

Therefore, for the above referenced reason, SCE urges to include language to exempt from the standards any out-of-state coal-fired generating facilities located outside of California and which have multiple owners.

### III.

#### **PROPOSED HYDROELECTRIC LOGBOOK STANDARDS**

In the May 9, 2003 letter, the Committee also requests comments on proposed Generating Facility logbook standards for hydroelectric plants. SCE currently has internal logbook standards, which are subject to the Commission's

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<sup>6</sup> See Section 1(c) of SB X2 39 which provides that the CPUC is to seek enforcement capability from the FERC. Also see Section 761.3(e) which provides that the Independent System Operator has authority over the standard participating generator agreement.

review and audit,<sup>7</sup> and therefore does not believe that additional standards are necessary. In addition, the Committee's proposed standards are not practical because they do not take into account the nature and operating parameters of SCE's hydroelectric generating units. For example, the Committee's proposed rules do not take into account that different standards should be applied to attended, as opposed to unattended, facilities.

SCE therefore submits a summary to the Committee of SCE's own internal procedures with regard to hydroelectric logbooks<sup>8</sup>. SCE understands that PG&E is submitting its internal procedurals for operational logs in its May 19, 2003 comments. SCE believes that PG&E's internal practice is consistent with SCE's, with the exception of a few areas to take into account the unique differences of the utilities' operations. For example, SCE believes that PG&E's agricultural and irrigation needs are different than SCE's. Because SCE believes that PG&E's practices are similar to SCE's, SCE intends to work with PG&E to discuss uniform logbook standards that would be appropriate for both Companies and which could be submitted to the Committee and Commission.

Therefore, for the above reasons, SCE requests that the Committee not adopt the proposed hydroelectric logbook standards set forth in the May 9, 2003 letter.

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<sup>7</sup> See for example, Public Utilities Code Section 582 which provide that every public utility is obligated to provide its books and records to the Commission.

<sup>8</sup> See Appendix B.



Instead, SCE and PG&E intend to discuss the development of uniform logbook standards that would be based on both utilities' internal procedures and that could be adopted by the Committee and Commission.

Respectfully submitted,

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May 19, 2003  
LW031350032

**APPENDIX A**

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

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**BEFORE THE CALIFORNIA ELECTRICITY GENERATION FACILITIES  
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Rulemaking to Implement the Provisions	)	
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Extraordinary Legislative Session.	)	
_____	)	

**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).<sup>1</sup> 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

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<sup>1</sup> 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,  
DOUGLAS K. PORTER  
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 23<sup>rd</sup> day of April, 2003, at Rosemead, California.

  
\_\_\_\_\_  
Cristina Robinson  
Project Analyst  
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**APPENDIX B**

## Appendix B

### SUMMARY OF SCE'S INTERNAL HYDROELECTRIC LOGBOOK PROCEDURES

Station log books are required at all SCE Hydro Generation and substation locations. The log books provide an official record of daily events.

Other remote locations, such as intakes and dams, may have station log books as determined by operational requirements.

At All Stations: The following are logged:

- Daily Operations, including unit outages and de-ratings, Automatic Voltage Regulator/Power System Stabilizer operations, voltage operations, governor operations, black-start operations, if applicable, and operation of head-works equipment (water regulation).
- Complete details of all switching performed.
- Accidents
- Grounds: including the application, location, number, removal, or relocation.
- Details of work performed in the station and in the areas under the jurisdiction of the station.
- Issuing and releasing work authorizations.

At Attended Stations: At the beginning of the first shift of each day, the station status, abnormal or unusual conditions, and the outstanding clearances are logged as brought-forward items.

At Unattended Stations: The first qualified Operator to arrive at the unattended station on any specific day brings the station status, abnormal or unusual conditions, and outstanding clearances forward. A qualified Operator, required to bring log book entries forward, is an Operator who normally is assigned to the unattended station. At unattended stations, arrivals, purpose of the visit, departure, and intended destination are all logged.

## 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 ON THE CALIFORNIA ELECTRICITY GENERATION FACILITIES STANDARDS COMMITTEE'S PROPOSED GENERAL DUTY STANDARDS AND HYDROELECTRIC LOGBOOK STANDARDS (U 338-E) on all parties identified on the attached service list(s). 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):
  - To all parties, or
  - To those parties without e-mail addresses or whose e-mails are returned as undeliverable;
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or the other addressee(s);
- Transmitting the copies via e-mail to all parties who have provided an address.

Executed this **19th day of May, 2003**, at Rosemead, California.

  
\_\_\_\_\_  
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