

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED
09-27-13
04:59 PM

In the Matter of the Application of
SOUTHERN CALIFORNIA EDISON
COMPANY (U338E) for a Certificate of
Public Convenience and Necessity for the
Coolwater-Lugo Transmission Project.

Application 13-08-023
(Filed August 28, 2013)

**PROTEST OF THE DIVISION OF RATEPAYER ADVOCATES
TO SOUTHERN CALIFORNIA EDISON COMPANY'S COOLWATER-
LUGO TRANSMISSION PROJECT APPLICATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure (Rules), the Division of Ratepayer Advocates (DRA) files this protest to Southern California Edison's ("SCE") Application (A.) 13-08-023 for a Certificate of Public Convenience and Necessity ("CPCN"). The Application raises several areas of concern that merit further review. Therefore, the Division of Ratepayer Advocates ("DRA") recommends that the Commission schedule both evidentiary and public participation hearings for this proceeding.

II. APPLICATION

In A. 13-08-023, SCE proposes to construct Coolwater Lugo Transmission Project ("CWLTP") with the following components:¹

¹ SCE Application 13-08-023, pages 2-4.

Substations:

- Reconfigure Coolwater 220 kilovolt (kV) Switchyard;
- Terminate new Coolwater-Desert View 220 kV Transmission Line at the Coolwater and Desert View 220 kV buses;
- Install new relay buildings and necessary equipment to support the Special Protection System (“SPS”) at Coolwater 220 kV Switchyard;
- Expand the Lugo 500 kV Switchrack to the south five positions;
- Relocate two existing 500 kV transmission line terminations at Lugo Substation;
- Terminate new Desert View-Lugo 500 kV transmission line construction, initially energized at 220 kV at the Desert View and Lugo 220 kV buses;
- Install one additional 500/220 kV transformer bank at Lugo Substation;
- Construct new relay building and install bank protection relays at Lugo Substation;
- Install new protection, control, and SPS at Lugo Substation; and
- License proposed Desert View 500/220/115/12 kV Substation (“Desert View Substation”) and initially construct the facilities necessary to loop the Coolwater-Lugo 220 kV Transmission Line and consolidate the Lugo- Pisgah No.1 and No.2 220 kV Transmission lines into Desert View Substation.

Transmission and Telecommunication:

- Remove approximately 29.1 miles of the existing Lugo-Pisgah No.1 220 kV transmission line from Lugo Substation northeast to approximately the intersection of Haynes Road and State Route 247 (“SR-247”);
- Remove approximately 16.0 miles of the existing Lugo-Pisgah No.2 220 kV transmission line from Lugo Substation northeast to proposed Desert View Substation and terminate the remaining portion of this line into the proposed Desert View Substation;
- Construct 16.6 miles of 500 kV single-circuit transmission line (initially energized at 220 kV) from Lugo Substation to the proposed Desert View Substation and 13.6 miles of 220 kV double-circuit transmission line in existing ROW from proposed Desert View Substation to approximately the intersection of Haynes Road and SR-247;
- Construct approximately 34.0 miles of 220 kV double-circuit transmission line from Coolwater 220 kV Switchyard south to the existing Lugo-Pisgah transmission corridor, located approximately near the intersection of Haynes Road and SR-247;

- Install a new 150-foot tall microwave tower and foundation at the existing Coolwater 220 kV Switchyard;
- Install lightwave transponder equipment or optical amplifier and channel bank equipment at Coolwater Switchyard, Lugo Substation, and the proposed Desert View Substation;
- Install approximately 11.0 miles of Fiber-Optic Cable from existing Apple Valley Substation to the proposed Desert View Substation; and
- Install approximately 29.0 miles of Fiber-Optic Cable from existing Pisgah Substation near Newberry Springs to the existing Gale Substation near Daggett.

SCE’s asserted purposes of the CWLTP are (1) to provide additional transmission capacity to help alleviate the 220 kV transmission bottleneck between the existing Kramer and Lugo Substations, (2) to facilitate interconnection of renewable generation projects to accommodate future load serving in the Town of Apple Valley, and (3) to facilitate additional system reliability.

SCE also asserts that CWLTP will facilitate delivery of power from the new planned generation resources located in the Barstow, Inyokern, Kramer, Lucerne Valley/future Jasper Substation, Apple Valley, and Owens Valley areas.

SCE adds that the Coolwater-Lugo Transmission Line was identified as needed in interconnection studies performed by California Independent System Operator (“CAISO”) and SCE.² The minimum build out of Desert View Substation is required to facilitate construction of the proposed Coolwater-Lugo Transmission Line, and full build-out would be dependent upon future CAISO approval.

III. ISSUES

While DRA is still reviewing the Application, so far it has identified several issues that it intends to investigate further.

First, the CWLTP described in the Application has not been approved by CAISO. It is unclear what study SCE is using to justify this proposed project. In the absence of a supporting study, DRA urges the Commission to find the Application to be incomplete and dismiss it

² SCE Application, at 2.

without prejudice to SCE re-filing with a supporting study. Pursuant to Commission Rule of Practice and Procedure 11.1c, DRA intends to make an oral motion at the Pre Hearing Conference to dismiss the Application unless SCE produces the requisite supporting study for the version of the project it proposes.

Also, if SCE later modifies the scope of the project, SCE should be required to provide studies in support of the modified scope and parties should be granted adequate time for discovery on the revised project.

Second, DRA notes that the project scope of the CWLTP that SCE submitted to the Commission for approval is bigger than that studied by CAISO. In contrast to the project SCE has submitted to the Commission, CAISO, in its 2012-2013 transmission plan, studied a version of the CWLTP that consists of the following elements:³

- a. Coolwater-Lugo 220kV Transmission Line: Install a new 59 mile 220kV transmission line including the following elements:
 - i. approximately 16 circuit miles of 2B-2156 KCMIL ACSR conductor
 - ii. approximately 43 circuit miles of 2B-1590KCMIL ACSR conductor
 - iii. ½ inch steel overhead ground wire as needed
 - iv. approximately 59 miles of OPGW (315,000 linear feet)
- b. Coolwater Generating Station 220kV Switchyard: Install necessary equipment to terminate the new Lugo 220kV transmission line in a breaker-and-a-half configuration.
- c. Lugo Substation: Install the necessary equipment to terminate the Coolwater 220kV transmission line in a new double breaker line position arranged in a breaker-and-a-half configuration.

The CPUC requested CAISO to study the AV Clearview transmission project, which was proposed by Critical Path Transmission, Inc., as an alternative to the CWLTP. CAISO finished its initial study of AV Clearview and documented the study result in its 2012/2013 transmission

³ CAISO 2012-2013 Transmission Plan, at 150.

plan. However, CAISO is further studying the AV Clearview transmission project and is yet to submit its testimony to the Commission.⁴

According to the CAISO 2012-2013 transmission plan, both the AV Clearview transmission project and the Kramer Remedial Action Scheme (“RAS”) are alternatives to the Coolwater-Lugo Transmission Line.⁵ In general, RAS costs a lot less than transmission line alternatives. The Commission should consider the AV Clearview transmission project and the Kramer RAS as alternatives to the CWLTP before making its final decision on SCE’s application.

Third, DRA observes the following specific problems with SCE’s application. DRA intends to propound discovery requests to SCE to address these concerns.

- 1) SCE did not explain whether its assumed renewable generation capacity used as justification for this project was based on the renewable planning scenario that was developed and approved by the CPUC in the LTPP proceeding.
- 2) SCE discussed the need to serve future load in the Town of Apple Valley, but did not explain whether the load forecast for the Town of Apple Valley was based on the load forecast by the California Energy Commission.
- 3) SCE did not discuss whether its current transmission system is violating the Federal Energy Regulatory Commission (FERC) reliability standard and also did not articulate why additional reliability is needed.
- 4) SCE did not explain why approximately 29.1 miles of the existing Lugo-Pisgah No.1 220 kV and approximately 16.0 miles of the existing Lugo-Pisgah No.2 220 kV are no longer useful and need to be removed.
- 5) SCE has asserted that the minimum build out of Desert View Substation is required to facilitate construction of the proposed Coolwater-Lugo Transmission Line. Absent additional supporting evidence, DRA is not convinced that SCE’s proposed 500 kV Desert View Substation is needed for the CWLTP.
- 6) SCE asserted that the full build-out of the 500 kV Desert View Substation will depend upon future CAISO approval. DRA is concerned that if future CAISO studies conclude that the 500 kV Desert View Substation is not needed, the SCE proposed Desert View Substation, including the minimum build out, and the 16.6 miles of 500 kV single-circuit

⁴ CAISO 2013-2014 Transmission Plan Stakeholder Process presentation on September 25.

⁵ CAISO 2012-2013 Transmission Plan, at 279.

transmission line (initially energized at 220 kV) from Lugo Substation to the proposed Desert View Substation will no longer be necessary and will result in waste at ratepayers' expense.

Fourth, the cost, including the contingency factor, of SCE's proposed CWLTP appears excessive compared to what the Commission has approved for similar past projects. DRA intends to explore these issues and conduct further discovery regarding them before making a final recommendation to the Commission.

SCE asserts that for the "minimum" CWLTP, the direct cost will be \$559 million, and the total cost, with a 35% contingency factor, will be \$755 million. SCE also asserts that for the "full" CWLTP, the direct cost will be \$776 million, and the total cost, with a 35% contingency factor, will be \$1,047 million.⁶ DRA observes that the direct cost, including but not limited to licensing cost of \$36 million, substation cost of \$132 million, transmission (>200 kV) cost of \$274 million, telecommunication cost of \$9 million, and environmental cost of \$77 million, is extremely high. DRA will further examine the cost of these items to determine if they are just and reasonable.

The proposed contingency factor is extremely high compared to others approved by the Commission for similar projects. For example, the Commission recently approved a 15% contingency factor for the Chino Hills portion of the Tehachapi Renewable Transmission Project.⁷ DRA will explore whether a lower contingency factor is just and reasonable during the proceeding.

IV. CONCLUSION

SCE's Application requesting a CPCN for the CWLTP does not clearly demonstrate that the project is needed. Moreover, other alternatives should be carefully studied and compared with the CWLTP. It also appears that the direct cost of the CWLTP as proposed by SCE may be overstated and the contingency factor too high. DRA will conduct discovery to develop its testimony and recommendations on the issues noted in this protest, and possibly on additional

⁶ SCE's Application Appendix H provides information about the "minimum", "initial", and "full" direct costs associated with the proposed project.

⁷ D.13-07-028 at 43.

issues that may come to light as a result of discovery and further analysis. Hearings may be required and a schedule should be established at the prehearing conference that allows for a diligent review of SCE's application.

Respectfully submitted,

/s/ DARRYL GRUEN

DARRYL GRUEN
Staff Counsel

Attorney for the Division of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-1973
Email: darryl.gruen@cpuc.ca.gov

September 27, 2013