

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of the Application of
Southern California Edison Company
(U 338-E) for a Certificate of Public
Convenience and Necessity Concerning
the Tehachapi Renewable Transmission
Project (Segments 4 through 11).

Application 07-06-031
(Filed June 29, 2007)

**RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES
TO SOUTHERN CALIFORNIA EDISON COMPANY'S
PETITION FOR MODIFICATION OF DECISION 09-12-044**

I. INTRODUCTION

In accordance with Rule 16.4(f) of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), the Division of Ratepayer Advocates ("DRA") hereby submits its response to the petition for modification ("PFM") of Decision ("D.") 09-12-044 filed by Southern California Edison Company ("SCE") on October 17, 2011.

DRA recommends that the Commission deem the PFM incomplete and direct SCE to supplement its PFM with cost information associated with the modifications SCE is making to the Tehachapi Renewable Transmission Project Segments 4-11 ("TRTP").

II. DISCUSSION

As SCE explains, it submitted the PFM pursuant to the Energy Division's ("ED") recommendation to do so based on ED's determination that certain mitigation measures required by the Federal Aviation Administration ("FAA") "are so extensive in nature and so materially different from the originally approved TRTP that SCE will need to file a [PFM] and a supplemental EIR review."¹

¹ Application 07-06-031, Southern California Edison Company's (U 338-E) Petition for Modification of
(continued on next page)

DRA does not oppose the PFM insofar as it describes the modifications to the Commission-approved TRTP project that are being implemented by SCE in order to comply with FAA requirements. However, the PFM provides no information regarding the costs associated with the modifications, which the Commission should have when it considers the PFM, particularly where, as ED has determined here, the changes to the Commission-approved project are so extensive.

In determining need for TRTP as a renewables project under Public Utilities Code section 399.2.5, the Commission applied what is known as the three-prong test set forth in D.07-03-012: in order to apply Section 399.2.5, each of the following factors must be found: (1) a project would bring to the grid renewable generation that would remain otherwise unavailable; (2) the area within the line's reach would play a critical role in meeting the state's renewable portfolio standards ("RPS"); and (3) the cost of the line is appropriately balanced against the certainty of the line's contribution to economically rational RPS compliance.² Thus, costs remain a material factor in the evaluation of a project, even one where the need determination is not based on reliability or economic factors.³ Moreover, pursuant to Section 1005.5(a), the Commission specified a "maximum cost determined to be reasonable and prudent" for the approved TRTP project.⁴ Given the extensive nature of the modifications TRTP is currently undergoing, it is reasonable to expect that there are modifications to the cost estimates as well.

As such, the PFM is deficient without an identification of costs and, therefore, DRA recommends that the Commission direct SCE to provide the necessary cost information as part of its justification for the PFM. The supplemental cost information should include: (a) an identification of which portion of the original SCE project cost

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Decision 09-12-044, Oct. 17, 2011, Attachment A at 2.

² See Decision ("D.") 09-12-044, Decision Granting a Certificate of Public Convenience and Necessity for the Tehachapi Renewable Transmission Project (Segments 4-11), Dec. 24, 2009, pp. 8-18.

³ See D.09-12-044, at 9.

⁴ D.09-12-044, at 68.

estimate was associated with compliance with the FAA requirements; and (b) a quantification of any new costs related to meeting the FAA requirements that SCE has identified and believes should be included in project costs, and an explanation of why these costs were not included in the original, adopted cost estimate.

III. CONCLUSION

For the reasons discussed above, DRA recommends that the Commission direct SCE to provide cost information regarding the modifications to TRTP that are the subject of SCE's PFM, so that the Commission has a complete record upon which to grant or deny the petition to modify D.09-12-044.

Respectfully submitted,

/s/ MARION PELEO

MARION PELEO
Staff Counsel

Attorney for the Division of Ratepayer
Advocates

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-2130
Email: map@cpuc.ca.gov

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