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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

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)

**JOINT ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S  
RULING REQUIRING AMENDED APPLICATION, RESOLVING  
OUTSTANDING PROTEST REQUESTS AND MOTIONS TO STRIKE**

In this proceeding, Southern California Edison Company (SCE) requests authorization for a Certificate of Public Convenience and Necessity (CPCN) for the Coolwater-Lugo Transmission Project (CLTP).<sup>1</sup> A number of issues were explored at the December 17, 2013 Prehearing Conference (PHC) which clarified the Application. In response to our questions, SCE and other Parties detailed significant new information and clarified their positions on preliminary matters pending in this proceeding. This Ruling requires SCE to amend the Application as set forth below to reflect the information presented at the PHC in order to further clarify for the Commission and provide notice to the Parties of the

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<sup>1</sup> *Application of Southern California Edison Company (U 338-E) for a Certificate of Public Convenience and Necessity to Construct the Coolwater-Lugo Transmission Project, A.13-08-023, filed August 28, 2013 (Application).* SCE also filed concurrently its Proponent's Environmental Assessment (PEA) for Coolwater-Lugo Transmission Project (CLTP) on August 28, 2013.

particulars of SCE's requested authority. This Ruling also resolves the request by Critical Path Transmission, LLC (Critical Path) and the High Desert Power Authority (HDP) for a Pre-California Environmental Quality Act (CEQA) Alternative Evaluation as part of the evidentiary proceedings and the Critical Path Motions to Strike the SCE Reply to Protests and SCE Amendment to Reply to Protests.

**1. SCE is directed to file an Amended Application**

Review of the Application reveals a description of the purpose and need for the CLTP consisting of three paragraphs in the Introduction and a reference to Chapter 1.0 of the Proponent's Environmental Assessment (PEA) filed concurrently with the Application. The description of the CLTP major components consists of a summarized list in the Application, described also in Appendix A, Project Plan and reference to Chapter 3 of the PEA. The cost information found in Appendix H to the Application includes a more detailed breakout without narrative for each project element, providing columns labelled "Minimum," "Initial," and "Full" for each component, with little further explanation in the body of the Application.

At the December 17, 2013 PHC, there was a lengthy discussion of the public necessity and convenience SCE attributed to the CLTP, the specific need and purpose to which each component was addressed and the timing and analysis of need making each component necessary. SCE responded to the PHC's Agenda questions regarding the status of the CLTP, its need, purpose, timing and the analysis underlying SCE's Application, as well as the discussion in the SCE Reply to Protests. SCE's Reply to Protests and the statements at the PHC explained in detail the basis for SCE's assertions of need and purpose of the CLTP relying upon various studies, contracts and final decisions of both this

Commission and the Federal Energy Regulatory Commission (FERC) that were not included in the filed Application.

Pursuant to Rule 3.1(e) of the Commission's Rules of Practice and Procedure (Rules), the application must include "Facts showing that public convenience and necessity require, or will require, the proposed construction or extension, and its operation." General Order (GO) 131-D, Section IX.A.1.c. also requires that the application include a statement of "facts and reasons why the public convenience and necessity require the construction and operation of the proposed transmission facilities." The Application is incomplete with respect to these requirements.

SCE shall file and serve an amended application and an amended PEA that includes the requisite information, pursuant to Rule 3.1 and GO 131-D, Section IX. Specifically, SCE shall include the following:

1. A detailed narrative description of the public convenience and necessity claimed for the "Minimum," "Initial," and "Full" categories of components (Application, Exhibit H), including:
  - a. Power flow, production cost, transmission planning, resource procurement scenarios, and interconnection studies relied upon for the determination of need, purpose and timing of each component. Indicate who or what agency performed the studies, whether they were the subject of public proceedings or final decision and if so, in what venue the studies were examined, developed and adopted as applicable. Provide a copy of each study, contract and regulatory decision relied upon or referenced for each component included in the CLTP Application.
  - b. Provide a table that shows the specific needs and purposes for each element and each category of proposed development ("Minimum," "Initial," and

- “Full”) with a column that shows the estimated date when each component is needed. Specify whether the component is needed to fulfill contractual obligations for interconnection of the Mojave Solar Project.
- c. Identify any and all components included in the CLTP that require future California Independent System Operator (CAISO) study, review or approval.
2. Include the January 30, 2011 Large Generator Interconnection Agreement (LGIA) between SCE, the CAISO and Abengoa Solar Inc. (Abengoa) for the Mojave Solar Project.
  3. Provide a Joint Statement of Need and Purpose by individual CLTP project component required for interconnection of the Mojave Solar Project with full deliverability by the LGIA, representing an agreement by SCE, CAISO and Abengoa confirming the representations made by SCE, the CAISO and Mojave Solar, LLC at the December 17, 2013 PHC. If the LGIA Parties cannot agree, explain SCE’s position regarding what interconnection facilities are required by the LGIA, by each individual proposed CLTP project component, and an explanation of the remaining disagreements between the LGIA Parties. Include a description of the Mojave Solar Project’s expected output, online date and references to any other relevant documents, including related contracts or regulatory decisions.
  4. SCE stated that CLTP is needed “to provide additional transmission capacity to help alleviate the 220 kilovolt transmission bottleneck between the existing Kramer and Lugo Substations.” (Application at ES-2.)
    - a. Include a detailed powerflow explanation of the bottleneck and any other relevant studies by SCE, the CAISO or other entity upon which SCE has relied.
    - b. Include any studies or resource scenarios that identify existing and planned generation resources included in the analysis of the bottleneck. Include for each

resource: 1) nameplate capacity, 2) anticipated date of retirement and 3) fuel type.

- c. Include a year-by-year analysis going forward for the planning horizon applicable to the components designed to address the Kramer-Lugo substation bottleneck.
5. SCE stated that CLTP is needed “to facilitate the interconnection of renewable generation projects such as, the new planned generation resources located in the Barstow, Inyokern, Kramer Lucerne Valley/future Jasper Substation, Apple Valley, and Owens Valley areas.” (Application at ES-2.) Identify each renewable generation project to which this statement refers.
6. The PEA states that the project would serve “up to 1,000 megawatts (MW) of renewable resources located in the Kramer and Lucerne Valley areas.” (PEA at 1-5 through 1-7.) The PEA provides lists of specific projects adding up to more than 1,000 MW and some of those projects are merely in the study phase.
  - a. Provide an expected timeline of when each projected renewable generation project to be served by the CLTP is likely to come on-line, and how the proposed project would specifically serve it. Provide a description, with specific references, of the extent that any of these projects are included in the CPUC’s Renewable Portfolio Standard portfolios and the Desert Renewable Energy Conservation Plan process.
  - b. For each project for which CLTP is proposed to serve, provide the status within both SCE’s and the CAISO’s interconnection queue as to queue priority, permitting status, electrical studies, executed LGIAs or Purchase Power Agreements (PPAs).
  - c. For each project in the CAISO queue, provide the quantity and status of each project’s deliverability allocation.

- d. Explain whether the 1,000 MW of renewable generation cited in the Application includes or is incremental above the 250 MW Mojave Solar Project.
  - e. For each project included in the 1,000 MW of renewable generation cited in the Application that is an existing (not new or planned) resource, provide the nameplate capacity amount, resource/generation fuel type and expected retirement date for each resource.
7. SCE stated that CLTP is needed “to accommodate future load serving in the Town of Apple Valley.” (Application at ES-2.) Provide detailed load forecasts that identify and quantify this future load.
- a. If the load forecasts on which SCE relied was not prepared by the CEC, then 1) compare the SCE forecasts to the load forecast used by the CAISO in the last most recent CAISO Transmission Planning Process (TPP) and; 2) compare the SCE forecasts with the most recent CEC-adopted forecast and 3) compare the forecast included in the CPUC’s last, most recent Long Term Procurement Plan (LTPP) proceeding prior to filing the Application. If SCE adjusted CEC-adopted forecasts or other adopted forecasts, provide the methodology for the adjustments and the actual calculations made using those adjustments.
  - b. Describe which CLTP components are designed to serve the Apple Valley load, in what years and any further explanation of the facilities designed and proposed to serve the Apple Valley load.
8. SCE stated that CLTP is needed “to facilitate additional system reliability.” (Application at ES-2.)
- a. Provide a detailed description of the system reliability benefits SCE attributed to the CLTP.
  - b. Provide a clear explanation of the individual components included in the CLTP that would provide those system reliability benefits identified and how each

component is designed to solve the identified system reliability issues identified.

- c. Identify and include a copy as an attachment any CAISO studies that describe, quantify and provide timing for the system reliability issues for which CLTP is claimed to address or resolve.
9. Attach a copy of the December 12, 2008 Interconnection Study and the 2010/2011 Annual TPP Study referenced by counsel for SCE at the December 17, 2014 PHC. (Transcript at 13.)

SCE's amended application and amended PEA shall be filed and served on April 14, 2014. The protest period will begin again in this proceeding after the amended application is properly filed and served and noticed on the Commission's Daily Calendar. We will review the amended application and amended PEA and determine at that time whether it would be constructive to accelerate the evidentiary phase devoted to need and purpose to begin before the issuance of the Draft Environmental Impact Report as discussed at the December 17, 2013 PHC.

**2. Critical Path Transmission, LLC.'s Request for a "pre-CEQA Alternative Evaluation" is denied**

It is important to note at the outset that the AV Clearview project proposal and the intervention by the High Desert Power Authority and its private partners, particularly Critical Path Transmission, LLC are significant and extraordinary in this case. It is remarkable for local municipalities to undertake a project of the size, cost and commitment such as a 500kV AV Clearview Transmission Proposal in service to its community, to support the development of renewable generation and otherwise provide benefits to the State of California and its ratepayers. Intervention by HDPA, the City of Lancaster and Critical Path is taken very seriously. We have reviewed the Critical Path

Transmission, LLC, HDPa, and the City of Lancaster's Protests, the Critical Path request for a "pre-CEQA Alternative Evaluation," and carefully considered the status report for the AV Clearview project presented by Mr. Davis, in consultation with his attorneys, at the December 17, 2013 PHC.

The discussion at the December 17, 2013 PHC made clear that the AV Clearview project is not ripe for review as a viable alternative to the CLTP in the CPCN Application proceeding. Our conclusion is driven by the statements of Mr. Davis, representing the AV Clearview Project partners,<sup>2</sup> and Ms. Sanders, Attorney for the CAISO,<sup>3</sup> that a necessary regulatory prerequisite to development of the AV Clearview project is the identification of the need for transmission upgrades in the CAISO's annual TPP. The CAISO would only include the need to which AV Clearview is addressed in the TPP if the CLTP is not approved. The legacy of the January 30, 2011 LGIA transmission upgrade components are included as assumptions in the base cases underlying its current TPP studies. The assumption of the LGIA-related transmission capacity obviates any further need to which AV Clearview can be addressed.

The CAISO made clear that it has not and will not evaluate the AV Clearview project in its TPP unless the CLTP is not approved.<sup>4</sup> Without CAISO's identification of need in the TPP, AV Clearview will not be eligible for an LGIA to interconnect with the Mojave Solar Project, nor be studied for facility design and reliability impacts or be eligible to receive ratepayer financing through the Transmission Access Charge collected by the CAISO from all market

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<sup>2</sup> PHC, December 17, 2013, Mr. Davis, CAISO: Transcript, at 61-62.

<sup>3</sup> PHC, December 17, 2013, Ms. Sanders, CAISO: Transcript, at 18-19 and at 68-69.

<sup>4</sup> *Id.* and Transcript at 73-74.



participants who purchase transmission service from the CAISO. We conclude that these circumstances foreclose our consideration of AV Clearview as a viable alternative to the CLTP precisely because it cannot receive the necessary CAISO study and approval at this time or for the foreseeable future.

The request by Critical Path Transmission, LLC for a “pre-CEQA Alternative Evaluation” is denied. The Commission will not include the AV Clearview project in its consideration of SCE’s Application during the evidentiary portion of the CPCN review.

This ruling does not limit the scope of the CLTP CEQA review where alternative routes will be identified and evaluated in a separate, concurrent process. As provided by GO 131-D, the proposed CLTP is subject to environmental review pursuant to the CEQA.<sup>5</sup> Under CEQA Guidelines, the Commission will consider project alternatives, including different routes and

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<sup>5</sup> CEQA requires the lead agency (the Commission in this case) to conduct a review to identify environmental impacts of the project, and ways to avoid or reduce environmental damage, for consideration in the determination of whether to approve the project or a project alternative. If the initial study shows that there is no substantial evidence that the proposed project may have a significant effect on the environment, or if the initial study identifies potentially significant effects and SCE makes or agrees to revisions to the CLTP plan that will reduce all project-related environmental impacts can be reduced to less than significant levels, then the Commission shall prepare a negative declaration or mitigated negative declaration. Otherwise, the Commission shall prepared an environmental impact report that identifies the environmental impacts of the proposed project and alternatives, designs a recommended mitigation program to reduce any potentially significant impacts and identifies from an environmental perspective, the preferred project alternative. In that event, the Commission may not approve the project unless it requires all of the identified mitigation measures, unless they are found to be infeasible, and determines that there are overriding considerations that merit project approval despite the unmitigable environmental impacts. (CEQA Guidelines, Articles 6 and 7.)

no-project alternatives. It should also be noted that the Commission's CEQA process does not identify or recommend a project developer for any examined alternatives.

**3. Critical Path Transmission, LLC's Motion to Strike SCE's Reply to Protests and SCE's Amendment to Reply to Protests is denied**

SCE's Reply to Protests and Amendment to Reply to Protests are argument and not evidence in this proceeding. Accordingly, they will not be struck and will be given the appropriate weight accorded to argument in the Commission's proceedings. Critical Path Transmission, LLC's Motion to Strike SCE's Reply to Protests and SCE's Amendment to Reply to Protests is denied.

**IT IS SO RULED.**

Dated March 14, 2014, at San Francisco, California.

/s/ MICHEL PETER FLORIO

Michel Peter Florio  
Assigned Commissioner

/s/ IRENE K. MOOSEN

Irene K. Moosen  
Administrative Law Judge