

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Investigation into
implementation of Assembly Bill 970
regarding the identification of electric
transmission and distribution constraints,
actions to resolve those constraints, and
related matters affecting the reliability of
electric supply.

Investigation 00-11-001
(Filed November 2, 2000)

**RESPONSE OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
TO SAN DIEGO GAS AND ELECTRIC COMPANY'S PETITION TO MODIFY
D.06-09-003 TO SUSPEND REPORTING REQUIREMENTS**

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully responds to San Diego Gas and Electric Company's (SDG&E's) Petition to Modify Decision (D.) 06-09-003 to Suspend Reporting Requirements (PFM). SDG&E's PFM was filed in this proceeding on February 24, 2021. This Response is timely filed and served pursuant to Rule 16.4(f) of the Commission's Rules of Practice and Procedure and is further supported by the Declaration of James H. Caldwell, Jr., appended hereto.

I.

THE FERC SETTLEMENT REPORTING, RELIED UPON BY SDG&E IN SUPPORT OF ITS PFM AND PG&E AND SCE IN THEIR EARLIER PFMS, IS NOT A SUBSTITUTE FOR THE INFORMATION PROVIDED BY THE AB 970 QUARTERLY REPORTS AND DOES NOT SUPPORT SUSPENSION OF THE AB 970 REPORTS.

A. Background

In two recent decisions issued in this proceeding, the Commission has granted petitions for modification of D.06-09-003, first, for Pacific Gas and Electric Company (PG&E) in Decision (D.) 20-11-027 and, second, for Southern California Edison Company (SCE) in D. 21-03-010, that have resulted in both utilities being exempted from quarterly transmission and distribution reporting requirements imposed since 2000 by Assembly Bill (AB) 970 (Stats. 2000;

ch. 329). Specifically, AB 970 enacted the statutory mandate that required, and *continues to require*, that the Commission “identify and undertake those actions necessary to reduce or remove constraints on the state’s existing electrical transmission and distribution system, including, but not limited to, reconductoring of transmission lines, the addition of capacitors to increase voltage, the reinforcement of existing transmission capacity, and the installation of new transformer banks.”¹ To “comply” with that statute, the Commission, from March 2001 forward until the issuance of D.20-11-027 and D.21-03-010, continuously required the utilities to report specified information on the status of transmission projects and generation interconnection projects first monthly,² then quarterly.³

These reports were intended to, and have provided, transparent information on the status of these utilities’ transmission projects critical to the delivery of electric generation in this State and, as concluded by the Commission, are “require[d] to accomplish its oversight responsibilities.”⁴ By continually requiring service of these reports in this proceeding, these reports have also kept stakeholders informed of that status.⁵ Based on the conclusion that these reports “continue to be necessary,” the Commission denied a joint motion by PG&E, SCE, and SDG&E to be relieved of this reporting requirement in D.06-09-033.

Nothing has changed in the language of Section 379.5(a)(1) since its enactment, other than the numbering of the statute, nor to the significance of the information provided in the AB 970 quarterly reports. Yet, based on claims made by PG&E and SCE in their PFMs, which are mirrored in SDG&E’s PFM, the Commission determined in D.20-11-027 and D.21-03-010 that reports to be provided by the utilities pursuant to settlements reached in their separate

¹ Public Utilities Code Section 379.5 (a)(1) (originally, enacted as Section 399.15(a)(1)).

² D.01-03-077, at pp. 7-8.

³ D.06-09-033, at pp. 7-8.

⁴ *Id.*, at p. 3.

⁵ *Id.*, at p. 7.

transmission owner rate cases before the Federal Energy Regulatory Commission (FERC), through a Stakeholder Review Process (SRP) for SCE and Stakeholder Transmission Asset Review (STAR) Process for PG&E, afford “more comprehensive” information or are “broader in scope” than the AB 970 quarterly reports and render the AB 97 reports “redundant and unnecessary.”⁶ Further, the Commission appears to conclude in these decisions that “stakeholders” that are parties to this proceeding will not be disadvantaged by no longer receiving the AB 970 quarterly reports by directing PG&E and SCE to serve the “service list in this proceeding with the public version of the electric transmission projects information” that the utilities are required to provide to “stakeholders” pursuant to their STAR and SRP processes.

In its PFM, SDG&E calls its “transmission reporting process from its Fifth Transmission Owner (‘TO’) formula rate case settlement” the TO5 Transmission Reporting Process (TO5 TRP).⁷ SDG&E states that it is “analogous” to PG&E’s STAR and SCE’s SRP processes and similarly claims and concludes that information provided in its TO5 TRP reports will be more “detailed” than in the AB 970 quarterly reports and, as such, it is “reasonable to suspend” SDG&E’s AB 970 reporting requires while the TO5 TRP is “effective.”⁸

B. In Practice, the STAR, SRP, and, Now TO5 TRP Are Not a Replacement for the Information Transparently Provided to *California* Stakeholders About the Status of Utility Transmission Projects.

Unfortunately, in practice, the information that may trickle down to parties in this proceeding from these FERC-settlement reporting processes is not the same and not as informative as the AB 970 Reports and, in turn, fails to comply with applicable statute and Commission precedent establishing the AB 970 Reports. Instead, the confidentiality provisions applied to these FERC-settlement reports prevents sufficient clear and transparent data on the

⁶ D.20-11-027, at p. 8; D.21-03-010, at p. 3.

⁷ SDG&E PFM, at p. 1.

⁸ *Id.*, at pp. 3-8.

status of the utilities' construction of needed transmission projects in this state being provided to California stakeholders, as compared to the AB 970 Reports.

Further, what useful information that is publicly available in the FERC-settlement reports is buried in a 1,600 element spreadsheet and mixed into all transmission-related FERC rate base entries for the past five years, including wildfire hardening projects, Public Safety Power Shutoff (PSPS) mitigation projects, Administrative and General accounts, and routine capitalized maintenance projects without differentiation from the transmission network upgrade generator interconnection/ deliverability projects that are the subject of the AB 970 Reports.⁹ This AB 970 data still must be made publicly available to *California* stakeholders, who are not interested in adjudication of a FERC rate case, but need to be fully informed of the status and progress of utility transmission projects, many of which are and will be critical to ensuring increased delivery of clean, renewable resources, especially to meet the goals of SB 100.

In this regard, at the time, fifteen to twenty years ago, when the AB 970 reports were first generated, the grid was in urgent need of new resources to provide both near term reliability and to fulfill broader long-term energy policy goals. Construction of transmission upgrades required to ensure Full Capacity Deliverability Status (FCDS)¹⁰ is an integral part of new resource procurement. FCDS upgrades are studied in the California Independent System Operator (CAISO) Generator Interconnection process, financed by the new generator in a Generator Interconnection Agreement between and among the resource developer, the CAISO and the utility whose transmission facilities are involved. At least a draft Generator Interconnection

⁹ This is the situation for PG&E's STAR process where, because of timing, PG&E's quarterly AB 970 Report is no longer available. SCE and SDG&E publicly filed Q4 2020 AB 970 Reports in December 2020 as been the practice since 2001, as monthly reports, and since 2006, as quarterly reports. (See, D.01-03-077, at pp. 7-8; D.06-09-033, at pp. 7-8.)

¹⁰ FCDS means that there is enough transmission capacity to deliver the energy from a new resource to load without curtailing other existing generation during stress hours so that the new resource truly does represent new incremental capacity available to serve load.

Agreement is generally required before a Load Serving Entity (LSE) signs a power purchase agreement (PPA) to procure the new capacity and energy.

These Generator Interconnection Agreements are key documents in any assessment of project viability, ultimate cost and on line date by either the PPA counterparty or a Commission assessment of baseline status for new resource procurement. Construction of these FCDS facilities are generally not overly expensive or extensive but constitute the long lead item for adding new system capacity.

Alternately, these “network upgrades” can be relatively large regional projects that confer significant ratepayer benefits besides allowing FDCS to affected generators. In that case, the CAISO Transmission Planning Process (TPP) approval process is in place to ensure a positive cost/benefit ratio and this determination is litigated first at the CAISO, then in the California Environmental Quality Act (CEQA) compliant Certification of Public Convenience and Necessity (CPCN) siting/permitting process before the Commission. It is common for intervenors to challenge the need assessment and cost effectiveness for these large projects in that CPCN process. Therefore, Commission oversight is virtually guaranteed. The impact on cost, schedule, and scope of that siting/permitting process is publicly documented in the AB 970 Reports.

Thus, these “AB 970 Reports” were ordered to make progress towards completion of transmission projects transparently and timely so that they could be expedited in order to meet reliability needs in a timely manner. Over the years, the AB 970 reports have been relied on by Commission staff, resource developers, the CAISO itself, and policy intervenors to assess the state of transmission adequacy required to achieve Resource Adequacy and broader energy policy goals. Today, these same needs are again urgently required as the State faces the pending

retirement of Diablo Canyon, the last tranche of Once-Through-Cooling (OTC) plants, obsolete combined heat and power facilities, and other aging fossil infrastructure during a period of tight reserve margins and looming load growth from policy-driven electrification efforts in both transportation and building sectors. The outage events of last August 2020 provide a wakeup call for this urgent data need. The public information contained in the AB 970 Reports is once again in the spotlight as we navigate a difficult period of critical infrastructure investment.

Thus, since the issuance of D.20-11-027, what has transpired and become clear to CEERT, is that the exemptions authorized by the Commission for PG&E and SCE, and likely for SDG&E (if this PFM is granted), will result in information provided through those utilities' FERC-settlement reporting falling far short of what was provided and expected in the AB 970 Reports. These FERC-settlement reports, unlike the AB 970 Reports, will not and do not ensure that all affected parties and stakeholders are fully apprised of and can easily access *all* significant information on IOU "transmission projects" that is being used to inform execution of the CAISO's annual TPP, and provide transparent, timely, and accurate data to assess progress on infrastructure investment to ensure grid reliability and timely achievement of energy policy goals.

As an example, despite apparent language to the contrary in D.20-11-027, information regarding PG&E's new "STAR Process" was never served on the full service list of I.00-11-001, on which CEERT's consultant (James H. Caldwell, Jr.) is included, despite Mr. Caldwell having routinely received the AB 970 reports by US Mail from the utilities for years. When attempting to inform comments regarding the procurement to be considered in R.20-11-003 (Integrated Resource Plan (IRP)) in late January 2021, Mr. Caldwell noted that he had not received the Q4 2020 AB 970 reports from either PG&E or SCE and attempted to use the PG&E STAR website for the first time. He found that most of the relevant "AB 970 information," including the

transmission project name, purpose (e.g., “generator Interconnection” or “reliability”), location and brief description, current status and recent milestones, plus latest projected cost and on-line date, all required a Non-Disclosure Agreement (NDA) and could not be used in a public document or cited in a public proceeding. The only publicly available information on PG&E’s STAR website is an accounting spreadsheet listing entries for recorded costs for the past five years by FERC account name plus a cover letter documenting the information included in both the public and confidential sections of STAR.¹¹

Mr. Caldwell then began a search for SCE’s AB 970 Report. SCE’s petition for exemption from filing AB 970 reports, mirroring the arguments that PG&E made in its petition, stated that “SCE’s AB 970- Quarterly Data Reports are available at” a long URL link that, when test, lead only to an error message.¹² Mr. Caldwell eventually found SCE’s AB 970 Report on the SCE website along with a record of a companion process for SCE’s FERC jurisdictional Wholesale Distribution Access Tariff (WDAT). That record included an Energy Division written comment at FERC that stated in part:

“The CPUC recognizes its unique position of being both a stakeholder and regulator of SCE and appreciates that SCE will provide additional information regarding its TMCR projects upon the CPUC’s request. However, SCE has made it clear that it does not provide the same treatment to other stakeholders despite the TMCR process supposedly being an ‘open, coordinated, and transparent process for all interested stakeholders.’”¹³

¹¹ StakeholderTransmissionAssetReviewSTAR_Other-Doc_PGE_20201201_63167.xlsx at <https://pgera.azurewebsites.net/Regulation/search> .

¹² SCE Petition for Modification, at p.3. n. 6 (with citation to the URL: http://www3.sce.com/law/cpucproceedings.nsf/vwSearchProceedings?SearchView&Query=FIELD%20Acronym%20contains%20I.00-11-001%20or%20%20FIELD%20docNumber%20contains%20I.00-11-001%20or%20FIELD%20docTitle%20contains%20I.00-11-001%20or%20FIELD%20docCategory%20contains%20I.00-11-001%20or%20FIELD%20Doc_Index_ID%20contains%20I.00-11-001&SearchMax=1000&Key1=1&Key2=25)

¹³ CPUC Staff Comments on 2020 Draft TMCR Report, July 27, 2020, p.4 @ <https://www.sce.com/regulatory/open-access-information?from=%20/about> [sce/regulatory/openaccess/default.htm](https://www.sce.com/regulatory/openaccess/default.htm)

It is clear to CEERT that the transparency requirements enshrined in AB 970 and practiced faithfully since 2001 as a monthly report and 2006 as a quarterly report continue to have relevance today for all three utilities. The existence of the FERC-settlements reports is clearly no substitute for the information provided by the AB 970 reports, and, as such, the AB 970 Reports should continue in place.

II.
NO UTILITY SHOULD BE EXEMPTED FROM AB 970
QUARTERLY REPORTING, AND SDG&E'S PFM SHOULD BE DENIED.

In summary, critical public information on transmission construction status that has been required by the Commission to be reported by the utilities in a transparent, easy to read format to comply with AB 970 since its enactment is no longer available from PG&E since its exemption from that reporting in D.20-11-027. Whether or not SCE provides better and more accessible information now that it is exempted from the AB 970 Reports by D.21-03-010 is unknown, but based on CEERT's experience with PG&E, it seems unlikely since SCE's SRP and PG&E's STAR emerged from similar FERC settlement processes. Nothing about SDG&E's PFM or its TO5 TRP suggests that any different result will occur either.

For these reasons, the Commission should not grant SDG&E's PFM, and SDG&E should be directed to continue to provide the AB 970 quarterly reports. Further, the Commission should use this opportunity to revisit D.20-11-027 and D.21-03-010, as they have been issued in this same proceeding and pursuant to similar facts, and remove the exemptions from AB 970 reporting granted by those orders for SCE and PG&E, as well.

Respectfully submitted,

March 26, 2021

/s/ SARA STECK MYERS

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DECLARATION OF JAMES H. CALDWELL, JR

1. I, James H. Caldwell, Jr., am the Senior Technical Consultant for the Center for Energy Efficiency and Renewable Technologies (CEERT) and also serve on CEERT's Board of Directors. My business office is located at 1650 E Napa Street, Sonoma, CA 95476.
2. I submit this declaration in support of the allegations of facts stated in CEERT's Response to the San Diego Gas and Electric Company's Petition to Modify D.06-09-003 to Suspend Reporting Requirements.
3. I declare that all facts made with reference to CEERT or myself in CEERT's Response are true and correct statements of my personal knowledge.
4. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on this 26 day of March 2021, at San Francisco, California.

/s/ JAMES H. CALDWELL, JR.
James H. Caldwell, Jr.
Senior Consultant for CEERT