

146 FERC ¶ 61,179
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Southern California Edison Company

Docket No. ER14-987-000

ORDER ACCEPTING WHOLESALE DISTRIBUTION SERVICE AGREEMENTS

(Issued March 14, 2014)

1. In this order, the Commission accepts two amended Service Agreements for wholesale distribution service under Southern California Edison Company's Wholesale Distribution Access Tariff (WDAT). One service agreement is between SoCal Edison and Coram Energy, LLC (Coram Energy) (Coram Service Agreement), and the other service agreement is between SoCal Edison and SEPV1 LLC (SEPV1) (SEPV1 Service Agreement) (collectively, Agreements). In this order, we accept the Agreements, effective December 15, 2013, as requested.

I. Background

2. SoCal Edison states that it recently completed a significant portion of the East Kern Wind Resource Area Reliability Project (EKWRA Project), a transmission reconfiguration project approved by CAISO and implemented to resolve reliability issues on SoCal Edison's Antelope/Bailey 66kV system. SoCal Edison states that certain facilities in the Antelope/Bailey 66 kV system (EKWRA facilities) that were previously integrated network transmission facilities and under CAISO's operational control have been reconfigured into two separate systems: (1) the Windhub 66 kV system; and (2) the new Antelope/Bailey 66 kV system. Specifically, the EKWRA Project's scope included constructing a 66kV bus and two 220/66 kV transformer banks at SoCal Edison's Windhub Substation. As a result of the completion of the line rearrangements at the Windhub Substation, SoCal Edison states that the EKWRA facilities now function as radial, local distribution facilities.¹

¹ SoCal Edison January 14, 2014 Filing at 2 (SoCal Edison Filing).

3. On December 15, 2013, CAISO relinquished operational control of the EKWRA facilities, thereby reclassifying the EKWRA facilities as part of SoCal Edison's distribution system.²

II. The Agreements

4. On January 14, 2014, SoCal Edison submitted two amended service agreements. SoCal Edison states that because the points of delivery currently reflected in the Agreements are no longer part of the CAISO grid, the points of delivery must be changed to reflect reclassification of the EKWRA facilities. Accordingly, the Agreements have been amended in order to reflect that change. According to SoCal Edison, the wholesale distribution service provided under the Agreements remains substantially unchanged from the service formerly provided prior to the in-service date of the EKWRA Project. SoCal Edison adds that no changes were made to any rates or charges in the Agreements.

5. SoCal Edison states that it provided each customer a redlined version of its service agreement and requested the customer to execute a letter agreement intended to memorialize its agreement to the new point of delivery. SoCal Edison explains that as of January 14, 2014, neither customer executed its letter agreement. Therefore, SoCal Edison states that, consistent with section 6 of the WDAT, which provides SoCal Edison the unilateral authority to file changes to the service agreements, SoCal Edison filed the agreements without the customers' consent in order to reflect the service being provided within 30 days of the change to the point of delivery.³

III. Notice of Filing and Responsive Pleadings

6. Notice of SoCal Edison's filing was published in the *Federal Register*, 79 Fed. Reg. 3,585 (2013), with comments, protests and interventions due on or before February 4, 2014. A timely motion to intervene and protest was filed by Coram Energy. On February 19, 2014, SoCal Edison filed a motion for leave to answer and an answer.

7. Coram Energy requests that the Commission suspend the amendments until its protests have been addressed. Specifically, Coram Energy argues that it was not given an adequate amount of time to review the Coram Service Agreement and to make the necessary corresponding changes to its Power Purchase Agreement (PPA). Coram Energy explains that, starting in September 2013, when it first learned of the proposed change, it asked SoCal Edison to provide the new service agreement to Coram Energy for review and comment. According to Coram Energy, despite assurances that it have an

² *Id.*

³ *Id.* at 2-3.

opportunity to comment and review, SoCal Edison did not provide the agreement until December 2013, with SoCal Edison requesting that comments be provided four business days later.⁴ Although Coram Energy requested additional time, it was not granted as the change in operational control of the EKWRA facilities occurred December 15, 2013 and the amendments to the Coram Service Agreement were filed on January 14, 2014.

8. Coram Energy contends that it explained to SoCal Edison and CAISO that four business days for review was not sufficient time to adequately address the implications of the new service agreement and Coram Energy requested more time to evaluate the changes. Coram Energy asserts that SoCal Edison failed to inform the Commission of Coram Energy's concerns and inability to execute the Coram Service Agreement without violating other material project documents.⁵

9. Specifically, Coram Energy asserts that it needs additional time to conform its PPA with San Diego Gas & Electric Company (SDG&E) to the amended Coram Service Agreement. Coram Energy states that the PPA has numerous references to the point of delivery, which need to be changed and that Coram Energy's lenders must approve the changes.⁶ Coram Energy contends that it promptly reviewed the Coram Service Agreement and contacted its PPA counterparty and lenders, but that process is not yet complete. Because of this, Coram Energy contends that it is unable to execute the amended Coram Service Agreement and Coram Energy protests the amended Coram Service Agreement until the following items have occurred to Coram Energy's satisfaction: (1) the conforming changes to the PPA have been made; (2) Coram Energy has fulfilled its requirements for notice to and, if applicable, approval by its lenders; and (3) any changes required to the Coram Service Agreement as a result of (1) and (2) have been agreed to and filed by SoCal Edison.⁷

10. In its answer, SoCal Edison states that its intent in filing the Coram Service Agreement unilaterally, with a requested effective date of December 15, 2013, was to ensure continuity of interconnection and distribution service under the Coram Service Agreement as of the day the EKWRA facilities were reclassified. SoCal Edison states that it is sympathetic to Coram Energy's situation regarding (1) its need to review its PPA with its lenders and (2) the possibility that changes may need to be made to the PPA as a result of the filing of the Coram Service Agreement. SoCal Edison notes that if further

⁴ Coram Energy February 4, 2014 Protest at 2 (Coram Energy Protest).

⁵ *Id.* at 2-3.

⁶ *Id.* at 3.

⁷ *Id.* at 3-4.

Coram Energy review leads to additional amendments, it will update the Coram Service Agreement within a reasonable amount of time.⁸

IV. Discussion

A. Procedural Matters

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), Coram Energy's the timely, unopposed motions to intervene serve to make Coram Energy a party to the proceeding.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2013), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept SoCal Edison's answer because it has provided information that assisted us in our decision-making process.

B. Substantive Issues

13. We find that SoCal Edison's proposed amendments to the Coram Service Agreement and SEPV1 Service Agreement, governing the terms and conditions for distribution service for Coram Energy and SEPV1's generation facilities, respectively, are just and reasonable and not unduly discriminatory.⁹ The amendments simply update the point of delivery, which changed as a result of SoCal Edison's reconfiguration of the Antelope/Bailey 66 kV system, performed as part of the EKWRA Project with no impact on rates. SoCal Edison submits the changes consistent with the terms of its WDAT tariff, and protestors have not shown that the revised agreement is unjust or unreasonable. Accordingly, we accept SoCal Edison's proposed amendments to the Coram Service Agreement and SEPV1 Service Agreement, effective December 15, 2013, as requested.

14. We also deny Coram Energy's request to suspend the Coram Service Agreement, pending resolution of the issues that it raises in its protest. Coram Energy argues that before the Coram Service Agreement is executed, it should be given additional time to allow its lenders to review and approve the updates necessary to conform the PPA to the amended service agreement. However, SoCal Edison has indicated that if further

⁸ SoCal Edison February 19, 2014 Answer at 2 (SoCal Edison Answer).

⁹ To the extent that Commission findings in Docket No. EL14-14-000, concerning a complaint against SoCal Edison and CAISO regarding the transfer of operational control of certain transmission assets from CAISO to SoCal Edison, directly affect the service agreements in the instant filing, SoCal Edison would need to timely file with the Commission any amendments to these agreements.

Coram Energy review leads to additional amendments, it will update the Coram Service Agreement within a reasonable amount of time.¹⁰

The Commission orders:

The Coram Service Agreement and SEPV1 Service Agreement are hereby accepted, effective December 15, 2013, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁰ SoCal Edison Answer at 2.