

146 FERC ¶ 61,178
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. ER14-1001-000

ORDER CONDITIONALLY ACCEPTING LARGE GENERATOR
INTERCONNECTION AGREEMENT AND SERVICE AGREEMENT FOR
WHOLESALE DISTRIBUTION SERVICE AND DIRECTING COMPLIANCE
FILING

(Issued March 14, 2014)

1. In this order, the Commission conditionally accepts a Large Generator Interconnection Agreement (LGIA) and a Service Agreement for Wholesale Distribution Service (Service Agreement) (collectively, Agreements), between Southern California Edison Company (SoCal Edison) and Coram California Development, L.P. (Coram California) under SoCal Edison's Wholesale Distribution Access Tariff (WDAT) effective December 15, 2013, as requested. The order also directs SoCal Edison to submit a compliance filing, as discussed below.

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 the California Independent System Operator (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 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

3. On December 15, 2013, CAISO relinquished operational control of the EKWRA facilities, pursuant to section 4.7 of the Transmission Control Agreement,² thereby reclassifying the EKWRA facilities as part of SoCal Edison's distribution system.

II. The Agreements

4. On January 15, 2014, SoCal Edison submitted an unexecuted LGIA with Coram California under SoCal Edison's WDAT given that the EKWRA facilities now function as local distribution facilities. SoCal Edison states that while the LGIA is a new service agreement under the WDAT, the service remains substantially unchanged from the service provided under a LGIA, under Southern California Edison's Transmission Owner Tariff (TO Tariff).³ SoCal Edison also submitted an unexecuted Service Agreement with Coram California, under the WDAT, which sets forth SoCal Edison's agreement to provide distribution service for the Coram Brodie Wind Project's (Project) generation to the CAISO grid at the 230 kV bus of SoCal Edison's Windhub Substation.

5. SoCal Edison requests, pursuant to section 35.11 of the Commission's regulations, waiver of the 60-day prior notice requirements to allow the Agreements to have an effective date of December 15, 2013, the date in which the EKWRA Project went into service and CAISO relinquished operational control of certain facilities in the

¹ SoCal Edison January 15, 2014 Filing at 2 (SoCal Edison Filing).

² The Transmission Control Agreement is an agreement among CAISO and transmission owners that establishes the terms and conditions under which transmission owners will become participating transmission owners and how the CAISO and each participating transmission owner will discharge their respective duties and responsibilities.

³ Coram California is currently interconnected to the SoCal Edison system pursuant to an executed LGIA under SoCal Edison's TO Tariff, which dictates the terms and conditions for, among other things, interconnection service to SoCal Edison transmission facilities that are under the operational control of CAISO. SoCal Edison states that it will file a notice of cancellation of the TO Tariff LGIA at a later date. SoCal Edison Filing at 3.

Antelope/Bailey 66 kV system. SoCal Edison states that good cause exists for granting the waiver because the instant filing does not change rates.⁴

III. Notice of Filing and Responsive Pleadings

6. Notice of SoCal Edison's filing was published in the *Federal Register*, 79 Fed. Reg. 4,461 (2014), with interventions and protests due on or before February 5, 2014. A timely motion to intervene and protest was filed by Coram California. On February 19, 2014, SoCal Edison filed a motion for leave to answer and a response to Coram California's protest.

7. Coram California requests that if these Agreements are accepted for filing, that they be made subject to refund and revision, pending the resolution of the issues it raises below. Specifically, Coram California argues that it was not given an adequate amount of time to review the Agreements and to make the necessary corresponding changes to its Power Purchase Agreement (PPA).⁵ Coram California explains that, starting in September 2013, when it first learned of the proposed change, it asked SoCal Edison to provide the Agreements to Coram California for review and comment. According to Coram California, despite assurances that it would have the opportunity to review and comment, SoCal Edison did not provide the Agreements to Coram California until November 27, 2013, and requested that comments be provided four business days later.⁶ Although Coram California requested additional time, it was not granted, as the change in operational control of the EKWRA facilities occurred on December 15, 2013, and the corresponding unexecuted Agreements were filed on January 15, 2014.

8. Coram California contends that before the Agreements can be executed, it is required to obtain approval from its lenders and it must update its PPA, a process that requires coordination with its lenders and the counterparty (PG&E) to the PPA. Coram California contends that it promptly reviewed the Agreements, and it contacted its lenders and PG&E, but that process is not yet complete.

9. Coram California also states that the LGIA, as filed, does not include the actual costs for certain interconnection facilities. Specifically, Coram California notes that Appendix A, Section 15, sets forth the actual interconnection and EKWRA facilities

⁴ SoCal Edison Filing at 4.

⁵ Coram California sells renewable power under a long-term PPA with Pacific Gas and Electric Company (PG&E).

⁶ Coram California February 5, 2014 Protest at 2 (Coram California Protest).

costs, which serve as the basis for the rates under the LGIA. Coram California argues that there is no reason why SoCal Edison could not have included the actual costs in the amended LGIA when those numbers have been available since March 11, 2013.⁷ Similarly, Coram California states that paragraph 11.3 of the Service Agreement also does not include the actual interconnection and EKWRA facilities costs used to derive the monthly facilities charges in the Service Agreement.⁸ However, Coram California notes that SoCal Edison has acknowledged that its rates need to be corrected and that it plans to file another set of amended Agreements.

10. Finally, Coram California notes that the LGIA includes a condition that, if met, would eliminate the EKWRA facilities monthly charge.⁹ Coram California believes that this condition was met on December 15, 2013, the completion and reclassification date of the EKWRA upgrades. Thus, Coram California states that the EKWRA facilities monthly charge should no longer be included in the filed Agreements.¹⁰

11. Because of the aforementioned issues, Coram California contends that it is unable to execute the Agreements and protests the Agreements until the following items have occurred to Coram California's satisfaction: (1) SoCal Edison files amended Agreements reflecting the proper rates for service (2) the conforming changes to the PPA have been made; (3) Coram California has fulfilled its requirements for notice to and, if applicable, approval by its lenders; and (4) any changes required to the Agreements as a result of (2) and (3) have been agreed to and filed by SoCal Edison.

12. In its answer, SoCal Edison states that its intent in filing the Agreements unilaterally, with a requested effective date of December 15, 2013, was to ensure continuity of interconnection and distribution service under the appropriate tariff and Agreements as of the day the EKWRA facilities were reclassified. SoCal Edison states that it is sympathetic to Coram California's situation regarding (1) its need to review the Agreements with its lenders; and (2) the possibility that changes may need to be made to Coram California's PPA as a result of the filing of these Agreements. SoCal Edison notes that if further Coram California review leads to additional amendments, it will update the Agreements within a reasonable amount of time.

⁷ *Id.* at Attachment 1.

⁸ *Id.* at 5.

⁹ The EKWRA facilities monthly charge is designed to recover the ongoing revenue requirement associated with the EKWRA facilities.

¹⁰ Coram California Protest at 5.

13. SoCal Edison also states that Coram California correctly asserts that the monthly charges in the Agreements do not reflect the actual trued-up amounts that were provided to Coram California on March 11, 2013.¹¹ However, SoCal Edison states that Coram California has received refunds reflecting the difference between the estimated cost of the facilities and the actual trued-up amounts, and that the monthly charges are currently being billed based on the actual trued-up amounts. Additionally, SoCal Edison notes that the LGIA condition mentioned by Coram California was met; therefore, the EKWRA facilities charges ended on December 15, 2013. Thus, SoCal Edison suggests that the Commission should accept the Agreements as filed, and that SoCal Edison will make a subsequent amendment to incorporate such corrections.

IV. Discussion

A. Procedural Matters

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), Coram California's timely, unopposed motion to intervene serves to make Coram California a party to this proceeding.

15. 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 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

16. Based on our review of the rates in the proposed Agreements, we find them just and reasonable and conditionally accept them, subject to further modifications to be submitted within 30 days of the date of this order.¹² SoCal Edison asserts that as of December 15, 2013, its Antelope/Bailey transmission system, the point of

¹¹ SoCal Edison states that its rationale for not reflecting the trued-up amounts in the Agreements was simply to avoid confusion.

¹² 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, including whether the transfer is consistent with the Transmission Control Agreement, directly affect the Agreements in the instant filing, SoCal Edison would need to timely file with the Commission any amendments to the Agreements.

interconnection for the Project, was reclassified as a local distribution facility, requiring SoCal Edison to enter these agreements with Coram California.

17. We deny Coram California's request to suspend action on the Agreements pending the review of the LGIA and PPA by its lenders and the counterparty to its PPA. Coram California argues that before the Agreements are executed, it should be given additional time to allow its lenders to review the proposed LGIA and to coordinate with PG&E to update the associated PPA. SoCal Edison has indicated that if further Coram California review leads to additional amendments, it will update the Agreements within a reasonable amount of time.¹³

18. As noted in its answer, SoCal Edison failed to include the actual costs of the interconnection and EKWRA facilities in either of the Agreements. Specifically, SoCal Edison failed to include the actual interconnection and EKWRA facilities costs into Appendix A, Section 15(b) of the proposed LGIA and the actual interconnection and EKWRA facilities charges into Appendix A, Section 16 of the proposed LGIA. Similarly, SoCal Edison has failed to include the same actual interconnection and EKWRA facilities costs and charges into Section 11.3 of the proposed Service Agreement. Additionally, SoCal Edison acknowledged that the EKWRA facilities charge ended on December 15, 2013, and should be removed from the Agreements. Accordingly, we direct SoCal Edison to submit a compliance filing, within thirty (30) days of the date of this order, in order to: (1) incorporate the actual interconnection and EKWRA facilities costs into Appendix A, Section 15(b) of the LGIA and Section 11.3 of the Service Agreement; (2) incorporate the actual interconnection facilities charge into Appendix A, Schedule 16 of the LGIA and Section 11.3 of the Service Agreement; and (3) remove the EKRWA facilities charge from Appendix A, Schedule 16 of the LGIA and Section 11.3 of the Service Agreement.

19. Additionally, as noted above, SoCal Edison currently has an executed LGIA under its TO Tariff on file with the Commission, which outlines the rates and terms governing the interconnection of generation from the Project to the CAISO controlled grid. While the LGIA under the TO Tariff references the interconnection facilities as they existed prior to the EKWRA project, it shares the same objective as the Agreements in the instant filing: interconnect generation from the Project to the CAISO grid. To avoid confusion and uncertainty among the parties, we condition our acceptance on SoCal

¹³ SoCal Edison Answer at 2.

Edison filing a notice of cancellation of its LGIA under the TO Tariff within ten (10) days of the date of this order.¹⁴

20. Lastly, to the extent that the reclassification is consistent with the requirements in the Transmission Control Agreement, and because we note that the interconnection facilities charge in the proposed LGIA is unchanged from the original LGIA, these Agreements are eligible for waiver of the prior notice requirement.¹⁵ Accordingly, SoCal Edison demonstrates good cause for receiving the waiver.

The Commission orders:

(A) The LGIA and Service Agreement are conditionally accepted for filing, to be effective on December 15, 2013, as discussed in the body of this order.

(B) SoCal Edison is directed to submit a compliance filing, as discussed above, within fifteen (15) days of the date of this order.

(C) SoCal Edison is directed to file a notice of cancellation of the LGIA under its TO Tariff, as discussed above, within ten (10) days of the date of this order.

(D) SoCal Edison's request for waiver is granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁴ *Midwest Independent Transmission System Operator, Inc.*, 132 FERC ¶ 61,241, at P 34 (2010), *reh'g denied*, 146 FERC ¶ 61,008 (2014).

¹⁵ *Central Hudson Gas & Electric Corporation, et al.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992), and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).