

146 FERC ¶ 61,177
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. ER14-1000-000

ORDER CONDITIONALLY ACCEPTING
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 Generator Interconnection Agreement (GIA) and a Service Agreement for wholesale distribution service (Service Agreement) (collectively, Agreements) between SoCal Edison and Portal Ridge Solar A, Portal Ridge Solar B, and Portal Ridge Solar C (collectively, Customers), under SoCal Edison's Wholesale Distribution Access Tariff (WDAT), effective December 15, 2013, as requested. This 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 Corporation (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.³

II. The Agreements

4. On January 15, 2014, SoCal Edison's submitted an unexecuted GIA with Customers under SoCal Edison's WDAT given that the EKWRA facilities now function as local distribution facilities. SoCal Edison states that while the GIA is a new service agreement under the WDAT, the service remains substantially unchanged from the service provided under a Large Generator Interconnection Agreement (LGIA), under Southern California Edison's Transmission Owner Tariff (TO Tariff).⁴ SoCal Edison also submitted an unexecuted Service Agreement with the Customers, which sets forth SoCal Edison's agreement to provide distribution service for the First Solar Portal Ridge Wind Project's (Project) generation to the CAISO grid at the 66 kV bus of SoCal Edison's Antelope Substation.⁵

5. SoCal Edison requests, pursuant to section 35.11 of the Commission's regulations, waiver of the 60-day notice requirement to allow the Agreements to have an effective date of December 15, 2013, the date on which the EKWRA Project went into service and CAISO relinquished operational control of certain facilities in the Antelope/Bailey 66 kV

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

² The TCA 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 SoCal Edison Filing at 3.

⁴ Customers are 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 4.

⁵ SoCal Edison Filing at 3-4.

system. SoCal Edison claims that good cause exists because the instant filing does not change rates.⁶

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 First Solar, Inc. (First Solar)⁷ on February 5, 2014. On February 19, 2014, SoCal Edison filed a motion for leave to answer and a response to First Solar's protest.

7. In its protest, First Solar contends that the Commission should reject the GIA and the Service Agreement, filed by SoCal Edison pursuant to its WDAT. First Solar contends that SoCal Edison is incorrectly relying on CAISO's position that it relinquished control of the Antelope/Bailey/Windhub 66kV facility, the point of interconnection for the Project. First Solar explains that a complaint challenging the reclassification of the Antelope/Bailey/Windhub 66kV facility is before the Commission in Docket No. EL14-14-000, and that it is a party to the complaint proceeding. First Solar argues that in the complaint proceeding SoCal Edison has not demonstrated that the Antelope/Bailey/Windhub 66kV facilities are local distribution facilities that are no longer integrated with the CAISO-controlled transmission network, which is necessary for CAISO to relinquish operational control of the facilities, under the Transmission Control Agreement.⁸

8. Moreover, First Solar argues, the reclassification of the Antelope/Bailey/Windhub 66kV facilities is not in compliance with Order No. 888. First Solar explains that SoCal Edison may not unilaterally reclassify transmission facilities as local, distribution facilities without obtaining preauthorization from its state regulator or by the Commission through a section 205 filing.⁹

9. If the Commission accepts the filing, First Solar argues that it should deny SoCal Edison's request for waiver of the Commission's 60-day prior notice requirement. First Solar explains that since interconnection costs for distribution facilities are not refundable, under the proposed GIA, it will not be reimbursed for the same construction costs that were reimbursable under the TO Tariff LGIA. In addition, according to First Solar, under the GIA, it will incur costs that it is not required to pay under the

⁶ *Id.* at 5.

⁷ First Solar indirectly wholly-owns the Customers.

⁸ First Solar February 5, 2014 Protest at 4-5 (First Solar Protest).

⁹ *Id.* at 6.

TO Tariff LGIA, such as a financial security posting to cover SoCal Edison's tax liability.¹⁰

10. Finally, First Solar argues that SoCal Edison's proposed GIA is inconsistent with First Solar's interconnection request. First Solar asserts that the proposed GIA applies to interconnection agreements submitted in March 2011, instead of its agreement, which was submitted in June 2008. According to First Solar, this discrepancy is substantial since the terms and conditions for a GIA are based on the date the interconnection request was submitted by the interconnection customer. First Solar contends that if the Commission finds that the TO Tariff LGIA should be converted to a WDAT interconnection agreement, the agreement should be changed to reflect that form used for projects filed in June 2008.¹¹

11. In its answer, SoCal Edison states that in Docket No. EL14-14-000, it has provided substantial documentation supporting CAISO's finding that the EKWRA facilities should be classified as non-integrated. Therefore, SoCal Edison maintains that issues regarding the proper classification of the EKWRA facilities should be resolved in the complaint in Docket No. EL14-14-000. Accordingly, SoCal Edison requests that the Commission accept the instant filing, subject to the outcome of the Docket No. EL14-14-000.

12. In addition, SoCal Edison maintains that its request to waive the 60-day notice requirement is appropriate. SoCal Edison disagrees with First Solar's assertion that, because it will no longer be eligible for reimbursement in the form of credits for third party usage of the facilities, the rates under the GIA have increased. SoCal Edison clarifies that when it stated that the proposed agreements did not change rates, it was referring to the fact that the amount of costs that First Solar must pay for the relevant facilities were not being altered. Moreover, SoCal Edison states that waiver of the 60-day notice period is consistent with the Commission's policy that waiver of notice is appropriate for service agreements filed within 30 days of service commencement. Specifically, SoCal Edison states that 18 C.F.R. section 35.3(b) only requires that service agreements be filed within 30 days after service commence and that the 60-day notice rule of section 35.3(a) does not apply to service agreements.¹²

13. Furthermore, SoCal Edison states that it has considered First Solar's comment regarding the proper WDAT GIA to use for the Project and commits to provide a revised agreement.

¹⁰ *Id.* at 7.

¹¹ *Id.* at 8-10.

¹² SoCal Edison February 19, 2014 Answer at 3.

IV. Discussion

A. Procedural Matters

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.14 (2013), First Solar's timely, unopposed motion to intervene serve to make it 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 or 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

16. As discussed below, we conditionally accept the GIA and Service Agreement, effective December 15, 2013, subject to the outcome of Docket No. EL14-14-000 and a further compliance filing to be submitted. We note that SoCal Edison asserts that as of December 15, 2013, its Antelope/Bailey transmission system, the point of interconnection for the Project, was reclassified as a local distribution facility, requiring SoCal Edison to enter these agreements with the Customers. First Solar's dispute focuses on CAISO turning over operational control of the Antelope/Bailey system to SoCal Edison. This issue is currently being litigated in Docket EL14-14-000. Should the Commission's order in that proceeding find that the reclassification was not just and reasonable, the GIA and service agreement would have to be cancelled by SoCal Edison.

17. As noted above, SoCal Edison currently has an executed LGIA, under its TO Tariff, on file with the Commission, which outlines the terms and conditions 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 Edison filing a notice of cancellation of its LGIA under the TO Tariff within 10 days of date of this order.¹³

¹³ *Midwest Independent Transmission System Operator, Inc.*, 132 FERC ¶ 61,241, at P 34 (2010), *reh'g denied*, 146 FERC ¶ 61,008 (2014).

18. We also agree with First Solar that SoCal Edison's proposed GIA is inconsistent with the interconnection request for the Project. First Solar correctly explains that the proposed GIA applies to interconnection agreements filed in March 2011, instead of the Project's agreement, which was filed in June 2008. We note that in its answer, SoCal Edison acknowledges First Solar's comments and commits to provide a revised agreement in a compliance filing.¹⁴ Accordingly, we direct SoCal Edison to submit a compliance filing, within fifteen (15) days of the date of this order, with the correct version of its GIA.

19. 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 GIA 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.¹⁶

The Commission orders:

(A) The GIA and Service Agreement are conditionally accepted for filing, to be effective on December 15, 2013, subject to the Commission decision in Docket No. EL14-14-000, 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.

¹⁴ SoCal Edison Answer at 4.

¹⁵ The issue that First Solar raises with respect to crediting of interconnection costs is related to whether those facilities are correctly being reclassified as local distribution facilities and therefore more appropriately addressed in the Docket No. EL14-14-000 complaint proceeding.

¹⁶ *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).

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

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.