

111 FERC ¶ 61,122
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeem G. Kelly.

Southern California Edison Company Docket No. ER02-1286-001

ORDER GRANTING REHEARING

(Issued April 26, 2005)

1. This order grants rehearing of an unpublished letter order issued pursuant to delegated authority on May 6, 2002 (Letter Order).

Background and Request for Rehearing

2. On March 8, 2002, Southern California Edison Company (SoCal Edison) filed an Interconnection Facilities Agreement (IA). The IA specifies the terms and conditions pursuant to which SoCal Edison will connect the generating facility of Ridgewood Olinda, LLC (Ridgewood) to SoCal Edison's distribution system and to transport the project's generation to the California Independent System Operator (CAISO) transmission grid. The IA further provides that SoCal Edison will own, operate, and maintain the facilities necessary to accomplish the interconnection.

3. In the Letter Order, we directed SoCal Edison to modify its IA to provide that Ridgewood will receive transmission credits for system upgrades, with interest.

4. On June 5, 2002, SoCal Edison filed a request for rehearing of the Letter Order. SoCal Edison also requested a stay of the Commission's order pending resolution of the rehearing request. In its request for rehearing, SoCal Edison states that the Commission's policy regarding transmission credits is not applicable to the types of facilities provided for in the IA. SoCal Edison states that those facilities consist only of: (1) interconnection facilities owned by SoCal Edison to interconnect the Ridgewood facilities to SoCal Edison's distribution system; and (2) distribution system facilities which are contained within SoCal Edison's distribution system beyond the applicable point of receipt. SoCal Edison states that distribution system facilities are not upgrades to SoCal Edison's transmission network. SoCal Edison states that the interconnection facilities set forth in the IA are facilities required by Ridgewood to physically interconnect SoCal Edison's distribution system.

Discussion

5. We will grant SoCal Edison's request for rehearing. Upon further review, it appears that transmission credits are not required for either type of facilities at issue here. The interconnection facilities identified in the IA are non-integrated grid facilities required for Ridgewood to physically connect with SoCal Edison's distribution system, not network facilities at or beyond the point of interconnection to the ISO grid. The distribution facilities are non-integrated because those facilities have not been turned over to the ISO-controlled grid. Consistent with Order No. 2003, which explains that transmission credits are only applicable for network upgrades,¹ upgrades to these facilities do not require credits.

The Commission orders:

SoCal Edison's request for rehearing is hereby granted.

By the Commission.

(S E A L)

Linda Mitry,
Deputy Secretary.

¹ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 at P 697 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15, 932 (Mar. 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004) (Order No. 2003-A), *order on reh'g*, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2004) (Order No. 2003-B), *reh'g pending*; see also Notice Clarifying Compliance Procedures, 106 FERC ¶ 61, 009 (2004).