

132 FERC ¶ 61,007  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

July 1, 2010

In Reply Refer To:  
Southern California Edison  
Company  
Docket No. ER10-1191-000

Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Ave.  
Rosemead, CA 91770

Attention: James A. Cuillier, Director  
FERC Rates & Regulation

Reference: Letter Agreement for Preparation for Filing a CPCN for the Proposed  
Calico Solar Phase 2 Reliability Network Upgrades

Dear Mr. Cuillier:

1. On May 5, 2010, Southern California Edison Company (SoCal Edison) submitted a Letter Agreement for Preparation for Filing a Certificate of Public Convenience and Necessity (CPCN) for the Proposed Calico Solar Phase 2 Reliability Network Upgrades between SoCal Edison and Calico Solar, LLC (Calico Solar)<sup>1</sup> (Agreement). The Agreement provides the terms and conditions for an interim arrangement whereby SoCal Edison will file a CPCN with the California Public Utilities Commission for the Phase 2 Reliability Network Upgrades, and Calico Solar will finance such work until

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<sup>1</sup> Calico Solar, under the name of SES Solar One, LLC, SoCal Edison and the California Independent System Operator Corporation (CAISO) executed a Large Generator Interconnection Agreement (LGIA) on February 22, 2010 to allow for the interconnection of Calico Solar's 850 MW solar generating facility in San Bernardino County, California (Project) at SoCal Edison's Pisgah 220 kV Switchyard. *Southern California Edison Co.*, 131 FERC ¶ 61,071 (2010) (April 26 Order).

such time as SoCal Edison receives Abandoned Plant Approval.<sup>2</sup> SoCal Edison requests that the Commission accept the Agreement for filing, effective April 6, 2010, the day the letter agreement was executed.

2. The April 26 Order accepted the provisions of the LGIA pertaining to the Phase 1 Reliability Network Upgrades but rejected, without prejudice, the provisions of the LGIA pertaining to the Phase 2 Reliability Network Upgrades. SoCal Edison states that it is reviewing the April 26 Order.<sup>3</sup>

3. SoCal Edison states that pursuant to Section 1 of the Agreement, Calico Solar will pay all of SoCal Edison's charges and expenses for the scope of work identified in Exhibit A to the Agreement to prepare the CPCN filing. SoCal Edison states that it estimates the cost of such scope of work to be \$2,590,000, which will be paid in five installments by Calico Solar in accordance with the payment schedule in Exhibit B to the Agreement. SoCal Edison states that it will reimburse Calico Solar for all funds received under the terms of the Agreement following receipt of Abandoned Plant Approval.

4. SoCal Edison explains that it is filing the Agreement at this time because the work addressed in it for the Phase 2 Reliability Network Upgrades needs to be commenced now in order to meet Calico Solar's proposed operating date for the project.

5. Notice of the filing was published in the *Federal Register*, 75 Fed. Reg. 27,366 (2010), with interventions and comments due on or before May 26, 2010. Calico Solar filed a motion to intervene. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, Six Cities) filed a motion to intervene and comments. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2010), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

6. Six Cities states that as the Commission recognized in the April 26 Order, SoCal Edison has not filed, and has not received advance authorization, to recover

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<sup>2</sup> SoCal Edison defines Abandoned Plant Approval as receipt of a Commission order granting a request by SoCal Edison for a declaratory order stating that SoCal Edison can recover 100 percent of its prudently incurred costs for the Lugo-Pisgah Transmission Upgrades if such project is abandoned due to circumstances outside of SoCal Edison's control. SoCal Edison Transmittal Letter at 1-2. SoCal Edison has not yet filed a request for declaratory order.

<sup>3</sup> SoCal Edison later filed a request for rehearing and request for stay of compliance filing in connection with the April 26 Order. That filing remains pending before the Commission.

abandoned plant costs incurred in connection with the Calico Solar Network Upgrades. Six Cities references all of the reasons outlined in its protest of the SoCal Edison-Calico Solar LGIA as a basis to also oppose SoCal Edison's conditional commitment to provide up-front funding for the Network Upgrades.<sup>4</sup> Six Cities request that any action on the Agreement in this proceeding have no impact upon a future determination concerning whether provisions in the SoCal Edison-Calico Solar LGIA relating to Network Upgrade funding and abandoned plant recovery satisfy the Commission's policies regarding deviations from the *pro forma* LGIA. Finally, Six Cities note that the Agreement addresses the possibility that SoCal Edison will not receive Abandoned Plant Approval, at least as it relates to the CPCN preparation costs.

7. We accept the Agreement to facilitate work for Phase 2 Reliability Network Upgrades needed in order to meet Calico Solar's proposed operating date for the project.

8. Six Cities' protest of the LGIA, in which it opposed SoCal Edison's commitment to provide up-front funding for Network Upgrades, is a part of the on-going proceedings in Docket No. ER10-796-000, *et al.* With respect to Six Cities other concerns, our acceptance for filing of the Agreement shall have no impact upon a future determination concerning whether provisions in the SoCal Edison-Calico Solar LGIA relating to Network Upgrade funding and abandoned plant recovery satisfy the Commission's policies regarding deviations from the *pro forma* LGIA. Finally, for good cause shown, we grant SoCal Edison's request for waiver of the 60-day notice requirement and permit the Agreement to become effective April 6, 2010, as requested.<sup>5</sup>

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>4</sup> Six Cities references its protest filed March 18, 2010 under Docket No. ER10-796-000. In that filing Six Cities argues that the up-front funding provisions contained in the SoCal Edison-Calico Solar LGIA are discriminatory and inconsistent with the Commission's network upgrade funding policies, as reflected in the *pro forma* LGIA, which makes no provision for guaranteed recovery of abandoned plant costs in return for funding by the transmission owner, as opposed to the interconnection customer.

<sup>5</sup> *Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, at 61,338-339, *order on reh'g*, 61 FERC ¶ 61,089 (1992).