

Docket: : A.15-08-027
Exhibit Number : _____
Commissioner : Liane Randolph
Admin. Law : _____
Judge : Colette Kersten
ORA Analyst : Charles Mee



ORA
OFFICE OF RATEPAYER ADVOCATES



**OFFICE OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**PREPARED REBUTTAL TESTIMONY
OF THE OFFICE OF RATEPAYER ADVOCATES
ON THE APPLICATION OF NEXTERA ENERGY
TRANSMISSION WEST, LLC
FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
FOR THE SUNCREST DYNAMIC REACTIVE
POWER SUPPORT PROJECT**

A.15-08-027

San Francisco, California
July 18, 2017

1 **I. INTRODUCTION AND BACKGROUND**

2 The Office of Ratepayer Advocates (ORA) submits this rebuttal testimony
3 pursuant to the Assigned Commissioner’s Scoping Ruling (Ruling) issued on February
4 24, 2017 in regards to NextEra Energy Transmission West, LCC’s (NEET West)
5 Application (A.) 15-08-027 (Application), seeking a Certificate of Public Convenience
6 and Necessity (CPCN) for the Suncrest Static Volt-Ampere Reactive Compensator
7 project (Suncrest SVC Project). The Suncrest SVC Project as proposed by NEET West
8 would include a 300 Mega Volt-Ampere Reactive (MVAR) Dynamic Reactive Power
9 Support facility project and related equipment as well as an approximately one-mile
10 underground 230 kV transmission line that will connect the SVC to the Suncrest
11 Substation. The Draft Environmental Impact Report (DEIR), published on November 23,
12 2016, identified the Suncrest Substation Alternative, which sites the SVC facility within
13 the existing Suncrest Substation footprint, as the environmentally superior alternative.
14 Parties submitted opening testimony on May 16, 2017.

15 **II. DISCUSSION**

16 **A. The Suncrest Substation Alternative is Feasible.**

17 The Suncrest Substation Alternative is feasible and no party’s opening testimony
18 refutes this. In fact, NEET West’s testimony states that co-location is feasible from a
19 technical and operations perspective as long as the two co-located utilities coordinate
20 closely in terms of operations and maintenance.¹ Thus, ORA reiterates its
21 recommendation that the California Public Utilities Commission (Commission) require
22 NEET West and San Diego Gas & Electric Company (SDG&E) to coordinate with each
23 other in order to construct the Suncrest Substation Alternative.²

¹ NEET West, Opening Testimony of Michael Lannon on Behalf of NEET West (Exhibit 3),
May 16, 2017, p. 12.

² ORA, Opening Testimony, May 16, 2017, p. 16.

1 **1. Delay does not make the Suncrest Substation**
2 **Alternative infeasible.**

3 ORA argued in its opening testimony that any delay that might result from
4 constructing the Suncrest Substation Alternative does not require the California
5 Independent System Operator (CAISO) to terminate the Approved Project Sponsor
6 Agreement (APSA). Rather, CAISO has the discretion to determine whether it should
7 terminate the APSA if a delay occurs. This discretion is provided in the APSA and
8 acknowledged by CAISO in its letter to Federal Energy Regulatory Commission (FERC)
9 implementing Order 1000.³ NEET West’s opening testimony supports this. NEET West
10 and CAISO plan to amend the original in-service date within the APSA once the
11 Commission issues a final decision in recognition of the fact that the Environmental
12 Impact Review (EIR) process can often result in a delayed in-service date.⁴

13 The CAISO conducted its solicitation for the Suncrest SVC Project because it
14 identified a policy driven need.⁵ A policy driven need is one that is necessary to ensure
15 delivery of renewable energy to the grid from areas where renewable generation occurs.⁶
16 This is in contrast to reliability- driven projects which address reliability concerns and
17 ensure compliance with applicable North American Electric Reliability Corporation
18 standards.⁷ Therefore, any delay associated with this project will not affect reliability and
19 does not make the Suncrest Substation Alternative infeasible.

³ ORA Opening Testimony, May 16, 2017, pp. 11-12.

⁴ NEET West, Opening Testimony of Michael Sheehan on Behalf of NEET West (Exhibit 1), May 16, 2017, p. 22.

⁵ CAISO, Suncrest Reactive Power Project - Project Sponsor Selection Report, January 6, 2015, p. 1, <http://www.caiso.com/Documents/SuncrestProjectSponsorSelectionReport.pdf>.

⁶ CAISO, 2015 - 2016 Transmission Plan, March 28, 2016, p. 6, <https://www.caiso.com/Documents/Board-Approved2015-2016TransmissionPlan.pdf>.

⁷ *Id.*, pp. 5-6.

1 **2. The Commission should not rely on SDG&E’s**
2 **arguments regarding the necessity of a 15 foot**
3 **setback.**

4 Additionally, NEET West argues that the project would limit flexibility and future
5 expandability at the Suncrest Substation.⁸ However, this is based on SDG&E’s erroneous
6 argument that the National Electric Safety Code’s requirements necessitate a fence with a
7 clearance of 15 feet 4 inches around that fence if the Suncrest SVC Project were built
8 within the Suncrest Substation by NEET West.⁹ Thus, SDG&E argued that the Suncrest
9 SVC facility would have to be located on the 500 kV switchyard of the Suncrest
10 Substation in order to accommodate the setback.¹⁰ And, according to SDG&E, locating
11 the Suncrest SVC Project at this location within the Suncrest Substation would conflict
12 with plans for the Suncrest Substation’s future expansion.¹¹ However, in its opening
13 testimony, ORA showed that the National Electric Safety Code provides an exception to
14 this rule, which states that the safety clearance zone requirement is not applicable to
15 internal fences within an electric supply station perimeter.¹²

16 **3. Parties’ arguments in regards to cost continue to be**
17 **based on speculation.**

18 NEET West’s opening testimony also raises the issue of costs that might be associated
19 with siting the Suncrest SVC Project inside the Suncrest Substation.¹³ However, its
20 concerns continue to be based on speculation because SDG&E has not provided NEET
21 West with any information that could be used to make these estimates. ORA reiterates its
22 recommendation that the Commission require SDG&E to provide NEET West the
23 information necessary to make an accurate estimate on possible additional costs

⁸ NEET West Exhibit 1, May 16, 2017, p. 40.

⁹ ORA Opening Testimony, Attachment 2, pp. 5-6.

¹⁰ NEET West, Opening Testimony of Daniel Mayers on Behalf of NEET West (Exhibit 2),
May 16, 2017, p. 22; ORA Opening Testimony, Attachment 2, pp. 5-6.

¹¹ ORA Opening Testimony, Attachment 2, pp. 5-6.

¹² ORA Opening Testimony, May 16, 2017, p.9, Confidential Attachment 4: National Electric Safety
Code 2017, Section 11: Power Arrangements in Electric Supply.

¹³ NEET West Exhibit 1, May 16, 2017, p. 39. NEET West 2, p. 21.

1 associated with constructing the Suncrest SVC Project facility within the Suncrest
2 Substation.¹⁴

3 **B. Exclusion of viable solutions located outside of a**
4 **substation is contrary to FERC Order 1000.**

5 CAISO argues that if the Commission were to approve the Suncrest Substation
6 Alternative, it would, in the future, exclude from competitive solicitation potentially
7 viable solutions located outside the substation during Phase 2 of the transmission
8 planning process.¹⁵ Thus, a transmission need which could be met through solutions both
9 inside and outside of a substation would be limited to only inside solutions which
10 automatically assures that only the incumbent transmission provider could build the
11 project. This would be the case even where an outside solution is the environmentally
12 superior alternative and costs for both types of projects are competitive. Such an
13 exclusion would be antithetical to FERC Order 1000 which removed the right of first
14 refusal for transmission facilities selected in a regional transmission plan for purposes of
15 cost allocation as well as CAISO's own tariff which provides that all regional
16 transmission facilities are subject to competitive solicitation "regardless of whether a
17 transmission facility is needed for reliability purposes, for economic reasons, [or] to meet
18 public policy needs..."¹⁶ Furthermore, the CAISO's process allows stakeholders, such as
19 the Commission and ORA, to provide input during Phase 2 of the transmission planning
20 process in which the CAISO identifies transmission solutions that are then included in the
21 State's transmission plan.¹⁷ ORA would oppose this limitation on competition by
22 participating in the Phase 2 process and providing stakeholder input as it is contrary to
23 FERC Order 1000.

¹⁴ ORA, Opening Testimony of Neil Millar on Behalf of the CAISO, May 16, 2017, p. 18.

¹⁵ CAISO, Opening Testimony of Neil Millar on Behalf of the CAISO, May 16, 2017, pp. 13-14.

¹⁶ FERC Order 1000, para 225, <https://www.ferc.gov/industries/electric/indus-act/trans-plan.asp>;
CAISO, June 4, 2010 Implementation Letter, FERC Docket ER 10-1401-000, para. 103, pp. 44-45.
[http://www.caiso.com/Documents/June4_2010Amendments-tariff-
implementrevisedtransmissionplanningprocessindocketno_ER10-1401-000.pdf](http://www.caiso.com/Documents/June4_2010Amendments-tariff-implementrevisedtransmissionplanningprocessindocketno_ER10-1401-000.pdf).

¹⁷ CAISO, 2015-2016 Transmission Plan, March 28, 2016, p.22.

<https://www.caiso.com/Documents/Board-Approved2015-2016TransmissionPlan.pdf>.

1 **C. The Commission should not consider whether to allow**
2 **SDG&E to build the SVC facility within the Suncrest**
3 **Substation.**

4 The California Unions for Reliable Energy (CURE) argues that if the Commission
5 does not approve the Suncrest Substation Alternative, the Commission should allow
6 SDG&E to build the Suncrest SVC Project.¹⁸ CURE’s recommendation should be
7 rejected. SDG&E has not filed an application regarding a Suncrest SVC Project because
8 it was not chosen as the winner of CAISO’s bid. Rather, NEET West was the winner of
9 the competitive solicitation held by CAISO.¹⁹ CAISO found this bid to be superior to
10 SDG&E’s bid.²⁰ Since the CAISO already determined which entity should build this
11 project, the Commission should only consider whether NEET West should build the
12 Suncrest Substation Alternative or the Proposed Project. If the Commission does not
13 approve the Suncrest Substation Alternative, it should approve the Proposed Project,
14 since the draft environmental impact report found that NEET West could mitigate the
15 environmental impacts.

16 **III. CONCLUSION**

17 ORA continues to recommend that the Commission bifurcate the proceeding to
18 first consider the issue of whether it should require NEET West to site the project within
19 the Suncrest Substation. As stated previously, the Suncrest Substation Alternative is
20 superior because it would avoid most environmental impacts at a potentially lower cost.
21 No party’s opening testimony provides additional information which would support the
22 argument that the Suncrest Substation Alternative is infeasible. ORA reiterates that if
23 this Commission does not approve the Suncrest Substation Alternative, it should approve
24 the Proposed Project instead.

¹⁸ CURE, Opening Testimony of David Marcus on Behalf of California Unions for Reliable Energy Re: Suncrest Project, May 16, 2017, p. 8.

¹⁹ ORA, Opening Testimony, May 16, 2017, pp. 19-20.

²⁰ *Id.*

- 1 • Coordinated on the planning, budgeting, engineering, building, and
2 commissioning of new generators, power transmission lines, and power
3 substations.

4 From 2002 to 2010, I worked for California Department of Water Resources in
5 Sacramento, California in the capacity of Associate Hydroelectric Power Utility
6 Engineer and Senior Hydroelectric Power Utility Engineer – Supervisor, and
7 performed the following duties:

- 8 • Participated in the California Independent System Operator (“CAISO”) stakeholder processes including plan, design, and implementation of the Market Redesign and Technology Upgrade. Provided comments in the area of day-ahead market, real time market, energy and ancillary services co-optimization, residual unit commitment, congestion management, locational marginal pricing, market power mitigation, grid reliability, resource adequacy, and demand response.
- 15 • Participated in the CAISO transmission planning processes, generator interconnection procedures, local capacity requirement studies, transmission access charges, and grid management charges.
- 18 • Intervened in transmission owners’ tariff filings on existing transmission contracts, transmission owner tariffs, and reliability services tariffs.
- 20 • Conducted the following studies related to State Water Project (SWP) operation: transmission and interconnection planning, existing power and transmission contracts benefit cost analysis, transmission cost forecasting, SWP capabilities in providing ancillary services to the CAISO market, cost impact of the CAISO proposals to SWP power operation, SWP resource modeling, and settlement and reconciliation for the CAISO market transactions.

27 From November 2010 to February 2013, I worked for the Energy Division of the
28 California Public Utilities Commission in San Francisco, California as a Senior
29 Utilities Engineer – Specialist and performed the following tasks:

- 30 • Commented on the CAISO power market refinement including renewable resources integration and market power mitigation.
- 32 • Facilitated settlement on distributed resources interconnection to utilities’ distribution systems.
- 34 • Drafted resolution on utilities’ tariff filings on power generators’ station power services and on utilities’ minor transmission and distribution construction and maintenance projects.

1 From February 2013 to present, I have worked for the Office of Ratepayer
2 Advocates of the California Public Utilities Commission in San Francisco,
3 California as a Senior Utilities Engineer – Specialist and have performed the
4 following tasks:

- 5 • Project coordinator for ORA in the Tehachapi Reliability Transmission
6 Project proceeding under the Commission docket number A.07-06-031.
- 7 • Project coordinator for ORA in the Alberhill System Project proceeding
8 under the Commission docket number A.09-09-022.
- 9 • Project coordinator for ORA in the South Orange County Reliability
10 Enhancement Project proceeding under the Commission docket number
11 A.12-05-020.
- 12 • Project coordinator for ORA in the Coolwater – Lugo Transmission Project
13 proceeding under the Commission docket number A.13-08-023.
- 14 • Project coordinator for ORA in the Mesa Substation Project proceeding
15 under the Commission docket number A.15-03-003.
- 16 • Project coordinator for ORA in the Riverside Transmission Reliability
17 Project proceeding under the Commission docket number A.15-04-013.
- 18 • Project coordinator for ORA in the Circle City Project proceeding under the
19 Commission docket number A. 15-12-007.

20 **Q4: What is the purpose of this testimony?**

21 A4: I am the sponsor of ORA’s Prepared Rebuttal Testimony in this Suncrest SVC
22 Project, under the Commission docket number A.15-08-027.

23 **Q5: Does this complete your testimony?**

24 A5: Yes, it does.