

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Southern California Edison Company )      Docket No. ER07-1034-002**

**SUPPLEMENTAL BRIEF OF SOUTHERN CALIFORNIA EDISON COMPANY  
(June 22, 2009)**

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**To:    The Honorable David H. Coffman  
       Presiding Administrative Law Judge**

Pursuant to the June 16, 2009, Order Directing Supplement Briefs (Order) issued by the Presiding Administrative Law Judge in this docket, Southern California Edison Company (SCE) submits the following Supplemental Brief of SCE.

Initial Briefs and Reply Briefs were submitted by SCE, the California Independent System Operator Corporation (CAISO), Green Borders Geothermal, LLC (Green Borders) and Commission Trial Staff (Staff). Additionally, the parties participated in Oral Arguments on March 23, 2009, on the issues raised in the Initial and Reply Briefs.

**INTRODUCTION**

The background and procedural history of this proceeding are fully set forth in the October 22, 2008 Joint Stipulation of Facts and Documents. As has been fully briefed by the active parties, the primary issue raised for decision in this case is whether the telecommunications facilities necessary to interconnect the Green Borders Geothermal Project to the CAISO Controlled Grid should be classified as Interconnection Facilities or Network Upgrades.

SCE, along with Staff and the CAISO have shown that the telecommunications facilities

at issue, located before the point of interconnection with the CAISO Controlled Grid, must be deemed Interconnection Facilities. Order 2003 defined Network Upgrades as all facilities at or beyond the Point of Interconnection,<sup>1</sup> and case law rejects Green Borders' argument that because the facilities at issue are telecommunications facilities, they should be treated differently than any other facilities that are before the Point of Interconnection.<sup>2</sup>

The June 16, 2009 Order directed the active participants to file supplemental briefs addressing the following questions:

- a. Should the definitions of "Participating TO's Interconnection Facilities" and "Network Upgrades" contained in the First Revised Sheet No. 518 and Substitute Fifth Revised Sheet No. 515, respectively, of the California Independent System Operator Corporations' currently effective tariff determine the classification of the telecommunications facilities at issue in this case?
- b. If so, what classification of the facilities do the foregoing definitions dictate?

SCE believes, as demonstrated below, that the definitions contained in the CAISO's approved Large Generator Interconnection Agreement (LGIA), which are not materially different from the definitions of the same terms on the noted rate sheets, should determine the classification of the telecommunications facilities at issue, and that these definitions necessitate a determination that the facilities are Participating TO's Interconnection Facilities.

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<sup>1</sup> *Standardization of Generator Interconnection Agreements, and Procedures, Order No. 2003, FERC Stats. & Regs. 31,146 (2003), order on reh'g, Order No. 2003-A, FERC Stats. & Regs. 31,160 (2004), order on reh'g, Order No. 2003-B, FERC Stats. & Regs. 31,171 (2004), order on reh'g, Order No. 2003-C, 111 FERC 61,401 (2005) ("Order 2003").*

<sup>2</sup> *115 FERC ¶61,277, Order Granting Partial Rehearing, requiring Southern California Edison to provide transmission credits for upgrades funded that are located at or beyond the point of interconnection. However, this order did not require transmission credits for telecommunications facilities located before the point of interconnection. (2006).*

**The Proper Definitions Of Participating TO's Interconnection Facilities And  
Network Upgrades Are Contained In The CAISO's Pro Forma LGIA**

SCE believes that the definitions of Participating TO's Interconnection Facilities and Network Upgrades contained in the FERC-approved CAISO LGIA<sup>3</sup> are the proper definitions to use for classification of these facilities. The LGIA is the agreement that governs the interconnection with the Interconnection Customer, and therefore the definitions contained therein should govern the classification of facilities.

These same LGIA definitions are contained in the unexecuted LGIA among the CAISO, Green Borders and SCE that was submitted in Docket No. ER07-1034-001. This LGIA was submitted as part of the partial settlement that was agreed upon by Green Borders, the CAISO and SCE, pending the resolution of the classification of the telecommunications facilities at issue in this case. No party contested the definitions contained in the LGIA. The Partial Settlement was approved by the Commission on October 27, 2008.<sup>4</sup>

The definitions contained in the LGIA are substantively similar to the definitions contained in the definitions section of the FERC Electric Tariff, however there are small differences. The definition of Network Upgrades in the LGIA is: Participating TO's Delivery Network Upgrades and Participating TO's Reliability Network Upgrades, whereas the definition of Network Upgrades in the CAISO's FERC Electric Tariff also notes that these required facilities are at or beyond the Point of Interconnection to accommodate the interconnection of the Generating Facility to the CAISO Controlled

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<sup>3</sup> The current version of the Standard Large Generator Interconnection Agreement contains the definitions on the Original Sheet 1693 and 1694 of the California Independent System Operators FERC Electric Tariff, Fourth Replacement Volume No. II.

<sup>4</sup> *Southern California Edison Company* 125 FERC 61,096 (2008), Order Approving Uncontested Partial Settlement.

Grid. The CAISO Tariff separately defines Delivery Network Upgrades and Reliability Network Upgrades which goes into a full explanation of what these Network Upgrades consist of. The LGIA includes definitions for Reliability Network Upgrades and Deliverability Network Upgrades that substantially model the definitions in the CAISO's FERC tariff. The definitions from the LGIA are as follows:

Participating TO's Delivery Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies, as identified in Appendix A, to relieve constraints on the CAISO Controlled Grid.

Participating TO's Reliability Network Upgrades shall mean the additions, modifications, and upgrades to the Participating TO's Transmission System at or beyond the Point of Interconnection, identified in the Interconnection Studies, as identified in Appendix A, necessary to interconnect the Large Generating Facility safely and reliably to the Participating TO's Transmission System, which would not have been necessary but for the interconnection of the Large Generating Facility, including additions, modifications, and upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the Participating TO's Transmission System. Participating TO's Reliability Network Upgrades also include, consistent with Applicable Reliability Council practice, the Participating TO's facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's Applicable Reliability Council rating.

Participating TO's Interconnection Facilities shall mean all facilities and equipment owned, controlled or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to this LGIA, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

SCE believes that these definitions should determine the classification of the telecommunications facilities at issue in this case.

**Using The Definitions From The LGIA, The Commission Should Find That The Telecommunications Facilities At Issue Are Classified As Participating TO's**

**Interconnection Facilities**

As SCE has stated in its briefs, it believes that the telecommunications facilities at issue in this case are properly classified as Interconnection Facilities, and thus, the cost responsibility is properly allocated to the Green Borders Generating Project. Specifically, the facilities should be classified as Participating TO's Interconnection Facilities, as defined in the LGIA. As the parties have stipulated, the telecommunications facilities at issue are located before the Point of Interconnection to the CAISO transmission grid.<sup>5</sup> SCE does not have any other current needs for these facilities,<sup>6</sup> but needs to own these facilities in order to be able to repair and maintain these facilities. Therefore, using the well-established "At or beyond the Point of Interconnection" test established by Order 2003, these facilities are properly classified as Participating TO's Interconnection Facilities.<sup>7</sup>

The definitions of Reliability Network Upgrades and Deliverability Network are clearly inapplicable to the facilities at issue in this case. Both definitions use the test of "at or beyond the Point of Interconnection" to classify the upgrades as network and state that they are upgrades to the Participating TO's transmission system. No party has claimed that the facilities are "at or beyond the Point of Interconnection," therefore, there is no way to define these facilities as Network Upgrades.

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<sup>5</sup> *Joint Stipulation of Facts at 14.*

<sup>6</sup> *Ex. S-2 at 1.*

<sup>7</sup> *Order 2003*

## CONCLUSION

For the reasons set forth above, SCE respectfully requests that the Commission find that the telecommunications facilities at issue are properly classified as Participating TO's Interconnection Facilities.

Respectfully submitted,

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Dated: June 22, 2009

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing **SUPPLEMENTAL BRIEF OF SOUTHERN CALIFORNIA EDISON COMPANY** upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rosemead, California, this 22nd **day of June, 2009**.

*/s/ Napa Utrapiromsuk*  
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