

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

Nevada Hydro Company, Inc.	)	Docket No. ER06-278
	)	
California Independent System Operator Corporation	)	Docket No. ER08-654
	)	
Elsinore Valley Municipal Water District	)	Project No. 11858
Nevada Hydro Company	)	(not consolidated)
	)	

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**DOCKET NO. ER06-278; DOCKET NO. ER08-654; PROJECT NO. 11858**  
**(NOT CONSOLIDATED) – NEVADA HYDRO COMPANY, INC., ET AL. –**  
**COMMENTS OF THE SOUTHERN CALIFORNIA EDISON COMPANY TO**  
**RESPONSE OF THE NEVADA HYDRO COMPANY, INC.**  
**TO REQUEST FOR CLARIFICATION**

The Southern California Edison Company (“SCE”) tenders its comments to the filings submitted by the Elsinore Valley Municipal Water District (“District”) and the Nevada Hydro Company (“Nevada Hydro”) in connection with the Elsinore Valley Municipal Water District’s Request for Clarification, or in the Alternative Rehearing of the Commission’s November 2, 2009, Order (*fld.* Nov. 2, 2009) (“Request for Rehearing”). SCE is concerned with Nevada Hydro's suggestion that it may use this proceeding (collectively Docket Nos. ER06-278 and ER08-654) to seek Commission approval for constructing a stand-alone Talega-Escondido/Valley-Serrano (“TE/VS”) facility as a transmission line, rather than adhere to the existing transmission planning and approval processes at the California Independent System Operator (“CAISO”). *See, e.g., Response of the Nevada Hydro Company, Inc. to Request for Clarification (fld.*

Jan. 5, 2010) (“Nevada Hydro Response”), at 4 (noting that it would be “advantageous” for the Commission to determine the scope of the hydro license – whether it consist of “one project versus two projects”).

## I.

### ARGUMENT

SCE’s primary concern with Nevada Hydro’s approach is that the current proceeding, as well as the parallel hydroelectric license proceeding (FERC Project No. 11858), is not the appropriate forum for seeking approval for pursuing TE/VS as a stand-alone transmission facility. The purpose of the instant proceeding is to approve the interconnection of the Lake Elsinore Advanced Pump Storage (“LEAPS”) hydroelectric generator to the electrical network, and not to seek Commission approval to construct a stand-alone transmission line. Indeed, pursuant to FPA Section 3(11) and 18 C.F.R. § 2.2, FERC lacks authority to license "transmission lines which are not primary lines transmitting power from the power house or appurtenant works of a project to the point of junction with the distribution system or with the interconnected primary transmission system.”

The foregoing confirms that any discussion in this proceeding to construct a stand-alone TE/VS transmission facility to interconnect two electrical systems – those belonging to SCE and San Diego Gas & Electric (“SDG&E”) – would be misplaced. Such a facility would not be a primary line. The proper and efficient means to interconnect a generator to a primary transmission system is with a primary line, commonly referred to as a “gen-tie,” not a network facility. For example, the ongoing interconnection proceeding involving SDG&E and Nevada Hydro is only addressing the proposed interconnection of LEAPS with the SDG&E transmission system. A more accurate and descriptive name for this "gen-tie" would be “Talega-Escondido/LEAPS.” Similarly, the second and separate segment of the so-called "TE/VS" line, or the more

appropriately labeled Valley-Serrano/LEAPS "gen-tie," will be part of a separate Large Generator Interconnection Agreement ("LGIA") which subsequently will be filed with FERC. Therefore, in the instant proceeding, Nevada Hydro may currently only pursue the interconnection of the LEAPS Project with the SDG&E transmission system, as it has not substantially pursued any proposal for TE/VS as a stand-alone transmission facility reviewed and approved by the CAISO.

In addition to the foregoing, the instant matter raises a second concern for SCE. According to Nevada Hydro, treating TE/VS as a separate facility might permit "the cost of the line [to] be taken into the transmission rate base." *Nevada Hydro Response*, at 3-4. In turn, this would allow for a reduction in cost to the construction of LEAPS. *Id.* However, absent a prior need determination of TE/VS from CAISO, such cost recovery could result in inappropriate subsidy payments from SCE ratepayers, through the Transmission Access Charge ("TAC"), to fund a third-party generator.

## II.

### CONCLUSION

If Nevada Hydro wants to propose a TE/VS transmission facility, Nevada Hydro should follow the existing process for having a transmission line studied at CAISO. This will allow all proper studies regarding the need and technical feasibility of the facility to be fully conducted. After CAISO has concluded its studies and made a determination that there is a need for the proposed TE/VS transmission line, then Nevada Hydro would have adhered to a critical component of a comprehensive review for transmission approval. Further, since there has been no determination that TE/VS should result in subsidies from SCE ratepayers, that argument should not have any bearing on the Commission's decision on the District's Request for Rehearing.

Respectfully submitted,

**ROBERT J. KANG**

/s/ Robert J. Kang

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Dated: [January 26, 2010](#)

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing **DOCKET NO. ER06-278; DOCKET NO. ER08-654; PROJECT NO. 11858 (NOT CONSOLIDATED) – NEVADA HYDRO COMPANY, INC., ET AL. – COMMENTS OF THE SOUTHERN CALIFORNIA EDISON COMPANY TO RESPONSE OF THE NEVADA HYDRO COMPANY, INC. TO REQUEST FOR CLARIFICATION** upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rosemead, California, this 26<sup>th</sup> day of January, 2010.

/s/ Sandra Rangel

Sandra Rangel, Project Analyst

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