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Addendum to Supplemental Testimony of James H. Caldwell

Two weeks ago, the CPUC issued a Proposed Decision that recommended denial of SCE's application to refurbish the Ellwood facility for long-term service in the Goleta area. Oxnard carefully considered that decision and determined that the proposed Preferred Resources Alternative presented in this testimony does not rely on continued operation of the Ellwood facility beyond a short transition period. Yesterday, Southern California Edison (SCE) announced its suspension of the Goleta Area RFO in response to the Proposed Decision. After considering this most recent development, Oxnard has not modified the Preferred Resources Alternative since it allows for the retirement of Ellwood in addition to denial of the AFC for the new Puente gas facility at the Mandalay site on the coast in the City of Oxnard.

SCE had proposed a two-part plan for ensuring long-term reliability in the Goleta area. Goleta is a part of the Moorpark region where CAISO has identified a Local Capacity Requirement (LCR) need of 242 MW due to the retirement of the Ormond Beach and Mandalay generating stations. Thus, new resources in the Goleta area also contribute to LCR mitigation in Moorpark, and as a result, SCE's suspension of the Goleta RFO is inappropriate. If one of the pieces in a two-part plan is in jeopardy, why should the response be to suspend the other part of the plan?

Oxnard is sensitive to SCE's issue with the denial of the Ellwood refurbishment contract due to the fact that Ellwood would supply short circuit current strength (SCD) and battery charging capability to the Goleta region in the event of a transmission outage into the Goleta area. However, the Proposed Decision only denied a long-term contract for Ellwood. There are viable options to address SCE's concerns that do not involve continued operation of Ellwood, and Oxnard's Preferred Resources Alternative does not

rely on long-term operation of Ellwood. SCE's response to the Proposed Decision should have been to double down on the Goleta preferred resource RFO and expand its reach to the entire Moorpark area, while exploring other options to resolve the legitimate SCD and battery charging capability in Goleta if the Proposed Decision is upheld. Prompt resolution of this Goleta/Ellwood matter is important for the broader issue of reliability in the Moorpark region as detailed in Oxnard's Preferred Resource Alternative to Puente.