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10 Conservation and Development Commission

11 In the Matter of:

Docket No. 15-AFC-01

12 Application for Certification  
13 for the PUENTE POWER PROJECT

OBJECTION TO CITY OF OXNARD  
REQUEST TO DELAY CAISO STUDY

14 Applicant objects to the City of Oxnard's June 13, 2017 request<sup>1</sup> to extend the time  
15 period for completing the proposed study by the California Independent System Operator  
16 (CAISO) described in the Committee's Order dated June 9, 2017.<sup>2</sup> The City itself established  
17 the time necessary to complete the proposed study by the nature and scope of its request to the  
18 CAISO Board of Governors on May 1, 2017. The Committee's decision to accept the offer of a  
19 study was based on the premise that it could be completed by July 19, 2017 – a premise that the  
20 City now seeks to alter after the fact. Furthermore, the City's request to extend the schedule is  
21 actually a thinly-veiled attempt to alter the nature and scope of the study from what was initially  
22 requested and to engage in an unnecessary process that would take much longer to complete than  
23 the five weeks requested by the City.

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26 <sup>1</sup> City of Oxnard's Request for Adjustment to Study Schedule, June 13, 2017 (TN #218228).

27 <sup>2</sup> Committee Ruling on Motion to Exclude Caldwell Testimony and Acceptance of ISO Special  
28 Study Offer, June 9, 2017 (TN #218016) ("June 9 Order").

1           ***The City itself established the time necessary to complete the CAISO study with its***  
2 ***specific request to the CAISO Board of Governors.***

3           The proposed study was initiated by action of the City, and its partner Center for Energy  
4 Efficiency and Renewable Technologies (CEERT), at the May 1, 2017 meeting of the CAISO  
5 Board of Governors. At that meeting, Mr. James Caldwell made the following request on behalf  
6 of the City and CEERT:

7                         And so we think that **there is a viable noncombustion alternative**  
8                         to that need in the Moorpark area. **We filed that case at the CEC**  
9                         **last week.** We're here today to say that **this needs to be studied.**  
10                        We'll be -- later this week we'll be at the PUC, we'll be at the  
11                        legislature, we'll be at the governor's office with **this plan**, and all  
12                        we're asking from the ISO at this stage of the game is to say that  
13                        **this alternative** will be studied as part of the routine annual  
14                        analysis of transient stability, short-circuit current duty -- all of  
15                        those sort of things -- in the Moorpark area as part of the 2017  
16                        TPP. So make **this one of the scenarios** studied in the normal  
17                        course of events this year. So that is the request that we have  
18                        today.<sup>3</sup>

19           Mr. Caldwell's request clearly pertained to a specific alternative -- the "preferred resources  
20 alternative" described in the proposed Supplemental Testimony of James H. Caldwell docketed  
21 by the City on April 27, 2017.<sup>4</sup>

22           It was on the basis of the specific and narrowly-tailored request from Mr. Caldwell to the  
23 CAISO Board that Mr. Neil Millar of the CAISO stated at the June 5, 2017 Committee  
24 Conference that the CAISO could complete the requested study in three to four weeks. Based on  
25 the representations of Mr. Millar regarding timing, the Committee accepted the offer of a study,  
26 stating: "Given that Mr. Millar indicated that the ISO could complete a study in three to four  
27 weeks, the Committee looks forward to receiving the study no later than July 19, 2017."<sup>5</sup> The  
28 Committee then took the additional step of confirming the timing of the study, in writing, with

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25 <sup>3</sup> Recorded Transcript (partial), California Independent System Operator Board of Governors  
26 Meeting, May 1, 2017, (TN #217720) ("5/1/17 RT") at 5:23-25 through 6:1-11 (emphasis  
added).

27 <sup>4</sup> Supplemental Testimony of James H. Caldwell, April 27, 2017 (TN #217321-217333).

28 <sup>5</sup> June 9 Order, p. 5.

1 the President and Chief Executive Officer of the CAISO, Mr. Stephen Berberich, stating in its  
2 letter: “Given that Mr. Millar indicated that the ISO could complete a Special Study in 3-4  
3 weeks, the Committee looks forward to receiving it no later than July 19, 2017.”<sup>6</sup>

4 Clearly, the time necessary to complete the CAISO study and its overall impact on the  
5 schedule for these proceedings were among the Committee’s primary considerations in its  
6 analysis of and decision to accept the offer to complete the study. The time necessary to  
7 complete the study was determined by the CAISO staff based on the specific request made by the  
8 City and CEERT. At no time prior to the Committee’s decision to accept the offer to conduct the  
9 study did the City express any reservations about the proposed timing, or suggest a need for the  
10 parties to review the CAISO’s assumptions prior to completing the study; despite having had  
11 ample opportunity to do so during the Committee Conference on June 5, 2017 and the continued  
12 sessions on June 6 and 8, 2017. Now, after the Committee has decided to accept the offer of a  
13 study – a decision that was premised on the time necessary to complete the study, the City  
14 proposes to extend the timing.

15 ***The City’s objective is to engage the CAISO in a potentially lengthy process to identify***  
16 ***alternatives to the Puente Power Project.***

17 The request to extend the timing associated with the study by even a week is troubling.  
18 Even more troubling, however, is the basis of the request and what it reveals about the City’s  
19 true objective. The basis of the City’s request is to provide the parties with an opportunity to  
20 evaluate and provide input on the alternative portfolio(s) to be addressed in the CAISO study.  
21 This is a strange request given that the impetus for the CAISO study in the first place was the  
22 City’s request that the CAISO study a specific alternative, and reveals that the City’s true  
23 objective is to initiate a process by which the CAISO might assist the City in identifying  
24 alternatives to the Puente Project. This effort on the part of the City confirms what the Applicant

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27 <sup>6</sup> Letter re ISO’s Officer to Conduct a Special Study for the Moorpark Sub-Area, June 12, 2017  
28 (TN #218030).

1 stated in its Motion to Exclude the Supplemental Testimony of James Caldwell, which is that the  
2 City has failed to identify a specific viable alternative to the Puente Project.<sup>7</sup>

3 Having engaged the CAISO Board Members to extend an offer, which the Committee has  
4 now accepted, based on the pretext of studying an identified specific alternative put forth by the  
5 City, the City now seeks to engage the CAISO staff and the parties in what amounts to a fishing  
6 expedition to determine what additional theoretical alternatives, if any, might be found. It is one  
7 thing for the CAISO staff to study a specific alternative advanced by the City; and it is quite  
8 another thing for the CAISO staff and the parties to commence a process by which theoretical  
9 alternatives to the Puente Project might be identified. This process is not what the City requested  
10 on May 1, 2017, it is not what the CAISO offered on June 5, 2017, and it is not what the  
11 Committee agreed to accept on June 9, 2017.

12 ***The City's requested delay to the schedule is not justified and jeopardizes the Puente***  
13 ***Power Project's scheduled on-line date.***

14 If allowed to commence, the open-ended and ill-defined process contemplated by the  
15 City would take much longer to complete than the five weeks currently requested by the City,  
16 and the Committee can expect further requests from the City and/or the CAISO staff to further  
17 extend the timeframe for completing the study. Furthermore, since the CAISO has made it clear  
18 that it cannot speak to the actual feasibility of implementing any theoretical alternative  
19 portfolio(s) that might be identified, this process will not produce information that is relevant to  
20 the question of whether or not there are feasible and prudent alternatives to the Puente Project.  
21 Thus, this potentially lengthy process will not materially enhance the already robust record that  
22 has been created on the subject of alternatives.

23 During the Committee Conference held on April 28, 2017, the Committee heard from the  
24 Applicant that the Puente Project is contractually required to be online by June 1, 2020.<sup>8</sup> The  
25 Committee also heard that Applicant had just completed a round of bids with engineering,

26 <sup>7</sup> Applicant's Motion to Exclude from the Evidentiary Record the Supplemental Testimony of  
27 James H. Caldwell, May 11, 2017 (TN #217565).

28 <sup>8</sup> Recorded Transcript, April 28, 2017 Committee Conference (TN #217520) at 37:7-25.

1 procurement and construction contractors indicating that it is expected to take 28 to 30 months to  
2 procure the equipment, finance and construct the project.<sup>9</sup> This means that a final decision on  
3 the Puente Project later than November 2017 would make it very difficult to bring the project on  
4 line on a timely basis. The current Committee schedule issued on May 11, 2017 already puts the  
5 project's on-line date at risk, and any further delays compound that risk. If the nature and scope  
6 of the proposed study are not strictly limited to what was offered by the CAISO on June 5, 2017  
7 and agreed to by the Committee in the June 9 Order, the schedule could be significantly delayed.

8 ***Conclusion***

9 The Committee should deny the City's request to delay completion of the CAISO study,  
10 and reject any future efforts to change the nature and scope of the proposed study.

11  
12 DATED: June 14, 2017

Respectfully submitted,

13 */s/ Michael J. Carroll*

14 Michael J. Carroll  
15 LATHAM & WATKINS LLP  
16 Counsel to Applicant

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28 <sup>9</sup> Id.