

147 FERC ¶ 61,034
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Southern California Edison Company

Docket No. ER14-1331-000

ORDER ACCEPTING SMALL GENERATOR INTERCONNECTION AGREEMENT
AND SERVICE AGREEMENT FOR WHOLESALE DISTRIBUTION SERVICE

(Issued April 17, 2014)

1. On February 18, 2014, Southern California Edison Company, (SoCal Edison) submitted for filing with the Commission an unexecuted Small Generator Interconnection Agreement (SGIA) and an unexecuted Service Agreement for Wholesale Distribution Service (Service Agreement) (collectively, Agreements) between itself and SEPV Mission Creek, LLC (Mission Creek), under SoCal Edison's Wholesale Distribution Access Tariff (WDAT). As discussed in this order, we accept the Agreements, effective April 20, 2014, as requested.

I. Background

2. In its filing, SoCal Edison states that Mission Creek submitted an application to SoCal Edison to interconnect an 11 MW solar generating facility called the SEPV Mission Creek Project (Project), to a tap on SoCal Edison's 33 kV Townhall distribution circuit out of Garnet Substation. The Project would then transmit energy to the California Independent System Operator Corporation (CAISO) controlled grid.

3. SoCal Edison states that the Service Agreement sets forth its agreement to provide distribution service for the 11 MW of power produced by the Project to the CAISO-controlled grid. SoCal Edison further states that the SGIA specifies the terms and conditions pursuant to which it will own, operate, and maintain Mission Creek's interconnection facilities and distribution upgrades required to interconnect the Project to SoCal Edison's distribution system.

4. SoCal Edison states that pursuant to the SGIA, Mission Creek will be responsible for an interconnection facilities payment of \$315,629 to compensate SoCal Edison for the capitalized cost of design, construction, and installation of Mission Creek's interconnection facilities, and a separate payment of \$5,268,296 for distribution upgrades. SoCal Edison further states that, following completion of the interconnection facilities and distribution upgrades, Mission Creek will be responsible for a monthly

interconnection facilities charge of \$1,230.95. SoCal Edison claims that it reached the determination that such charges were necessary as a result of a system impact study it performed.

5. SoCal Edison explains that the SGIA and Service Agreement are unexecuted because, despite discussions spanning several years and the use of the Commission's Dispute Resolution Service, the two were unable to agree on whether Mission Creek triggered the need for, and should bear the associated cost of, the replacement of two transformers at the Garnet Substation. SoCal Edison states that the current filing resulted from Mission Creek's request on February 3, 2014, to submit unexecuted copies of the SGIA and Service Agreement for filing at the Commission. SoCal Edison requests that the Commission accept the SGIA and Service Agreement with an effective date of April 20, 2014.

II. Notice of Filing and Responsive Pleadings

6. Notice of SoCal Edison's filing was published in the *Federal Register*, 79 Fed. Reg. 10,792 (2014), with comments, protests, and interventions due on or before March 11, 2014. A timely motion to intervene and protest was filed by Mission Creek on March 5, 2014. A motion for leave to answer and answer was filed by SoCal Edison on March 24, 2014, and a motion for leave to answer and answer was filed by Mission Creek on April 1, 2014.

A. Mission Creek Protest

7. Mission Creek argues that aspects of the study used to determine whether SoCal Edison needs to upgrade its distribution system to accommodate the Project's 11MW are unjust and unreasonable. Mission Creek explains that as part of the interconnection process, SoCal Edison conducted a system impact study, which among other things, evaluated whether interconnecting the Project to SoCal Edison's distribution system will exceed the operating capacity of the Garnet Substation transformers during minimum load conditions. In performing this aspect of the system impact study, Mission Creek contends that SoCal Edison used estimates and contract data, rather than historical data, to model the queued-ahead generation and minimum load.¹ Mission Creek contends that the estimates and contract data caused SoCal Edison to incorrectly determine that

¹ According to Mission Creek, "Queued-Ahead Generation is the total generation, whether or not in-service, that does (or will) interconnect to the Garnet Transformers or 33 kV circuits fed thereby." Also, "Usable Minimum Load is the percentage of minimum daytime load in the area fed by the Garnet Substation." Mission Creek March 5, 2014 Protest at 4 n.16 (Mission Creek Protest).

Mission Creek is responsible for the cost of upgrading two transformers at SoCal Edison's Garnet Substation at a cost of over \$5 million.² Mission Creek contends that the Distribution Upgrade costs will render the Project financially infeasible.³

8. Mission Creek argues that use of estimate and contract data is discriminatory because SoCal Edison has used historical data when evaluating the impact of other projects. Mission Creek explains that for the Mojave West Project, SoCal Edison used historical generation and load data to calculate the system impact. Mission Creek argues that the Project should be accorded the same treatment as the Mojave West Project. Mission Creek adds that if SoCal Edison used historical data in performing the system impact study for the Project, SoCal Edison would find that the Project's additional generation would not require the transformer upgrade. In addition, Mission Creek argues that, while it is common industry practice to account for line losses in studies, SoCal has declined to consider this factor.⁴ Mission Creek explains that SoCal Edison should consider lines losses because the Project is located several miles from the Garnet Substation and some of the output is lost due to line losses before it reaches the substation, and therefore, by accounting for such losses, replacing the two transformers may not be necessary.⁵

9. Also, Mission Creek claims that when evaluating the Project, SoCal Edison estimated the amount of minimum load by calculating 25 percent of peak load, and then multiplying this revised peak load amount by 75 percent.⁶ Mission Creek argues that SoCal Edison did not provide support for the use of these calculations. Further, Mission Creek argues that SoCal Edison's method for estimating minimum load assumes that generation resources will always achieve peak load during the same time, which is inaccurate since solar resources will not reach 100 percent capacity during the winter.⁷

10. Mission Creek also argues that in calculating the amount of queued-ahead generation, SoCal Edison incorrectly includes generation from a later-filed interconnection request: QF 6213. According to Mission Creek, the interconnection

² *Id.* at 4-5.

³ *Id.* at 17.

⁴ *Id.* at 13.

⁵ *Id.* at 12-13.

⁶ *Id.* at 15.

⁷ *Id.* at 16.

request for QF 6213, which calls for the interconnection of 18 MW, was filed seven months after Mission Creek's request. Without considering the generation from QF 6213 in the system impact study, Mission Creek contends, the additional generation from its Project would not exceed the operational capacity of the Garnet transformers, and thus, it would not be responsible for the cost to replace the transformers. Mission Creek notes that the generation from the QF 6213 project was in-service before it submitted its interconnection request for the Project and that the QF 6213 request was submitted to make changes to that project's facilities and to transfer its interconnection service from state to commission-jurisdictional service.

11. Mission Creek argues that by including the generation from QF 6213 in the queued-ahead generation component of its system impact study, SoCal Edison is allowing QF 6213 to cut ahead of the Project in the interconnection queue, contrary to the terms of SoCal Edison's WDAT. Mission Creek explains that according to section 1.6 of SoCal Edison's WDAT, governing the interconnection queue process, the position of QF 6213 should be based solely on the date the interconnection request was made. In addition, Mission Creek contends that the Commission's "but-for" cost causation standard provides that the generation from later-filed interconnections requests should not be used to evaluate whether it is responsible for the cost to upgrade the Garnet transformers.⁸ Specifically, Mission Creek argues, but for the later-filed interconnection request, the queued-ahead generation component of the equation that SoCal Edison uses in its system impact study would be reduced enough to allow it to conclude that adding the 11 MW of generation from the Project would not exceed the operating capacity of the Garnet transformers.

12. Lastly, Mission Creek contends that SoCal Edison's assumption that all generation resources will generate at their peak capacity simultaneously is unduly discriminatory towards solar and variable resources. Mission Creek explains SoCal Edison's queued-ahead generation figure is based on the assumption that all of the generating resources that use the Garnet transformers will simultaneously generate at their peak capacity.

⁸ *Id.* at 17 (citing *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146, at P 21 (2003) (citing *Pac. Gas & Elec. Co., et al.*, 102 FERC ¶ 61,070 (2003)), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶31,171 (2004) (Order No. 2003-B), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008) (Order No. 2003); *Midwest Indep. Transmission Sys. Operator Inc.*, 129 FERC ¶ 61,019, at PP23-24 (2009), *order on reh'g*, 131 FERC ¶ 61,165 at P22, *order on reh'g*, 133 FERC ¶ 61,011 (2010)).

Mission Creek argues that the wind turbine generators that are located in the same area as the Project's generators historically generate power at different times of the day than Mission Creek's project and other solar generators.⁹ Mission Creek contends that the Commission has recognized that ignoring differences between generating resources may result in undue and unlawful discrimination.¹⁰

B. SoCal Edison Answers

13. In its answer to Mission Creek's protest, SoCal Edison argues that the Commission should accept the unexecuted SGIA, as filed, including the distribution upgrade, as determined by its system impact study. SoCal Edison contends that it performed the system impact study consistent with the terms of its Commission-approved WDAT. SoCal Edison states that the result of that study showed that, to accommodate the interconnection of 11 MW from the Project, the Garnet transformers need to be replaced.¹¹

14. Further, SoCal Edison contends that Mission Creek has not identified a section of the WDAT that was violated, but instead, Mission Creek is unsatisfied with the outcome of the study since it is required to pay to replace the two transformers. Specifically, SoCal Edison states that Mission Creek's argument that SoCal Edison should have modeled pre-existing generation using historical generation data has no merit or basis in the WDAT. In fact, SoCal Edison asserts, under the WDAT it is not required to use a specific type of data including historical data, but it is specifically permitted to use contract data, as it did here.¹² Therefore, SoCal Edison asserts, Mission Creek's argument that it should use the generation from a single year, and thus, ignore its contractual obligations, is not supported by the WDAT and good utility practice.¹³

⁹ *Id.* at 21.

¹⁰ *Id.* (citing *Interconnection for Wind Energy*, Order No. 661, FERC Stats. & Regs. ¶ 31,198 (2005), *order on reh'g*, Order No. 661-A, FERC Stats. & Regs. ¶ 31,198 (2005)).

¹¹ SoCal Edison March 24, 2014 Answer at 3 (SoCal Edison Answer).

¹² SoCal Edison Answer at 5 (citing SoCal Edison, FERC Electric Tariff, Second Revised Volume No. 5, Attachment D, P. 1).

¹³ *Id.*

15. SoCal Edison asserts that Mission Creek's description of how the minimum load component was determined is misstated. SoCal Edison argues that, for the most part, it did use historical data to determine the minimum load served by the Garnet transformers. SoCal explains that, to model minimum load, it must review the loading profiles of all downstream distribution substations that are connected to the Garnet Substation. SoCal Edison explains that for two substations, it originally used charts and estimates to conduct the analysis of minimum load because those substations did not have the equipment necessary to determine actual load. Subsequently, however, for one of the substations responsible for most of the load, SoCal Edison asserts that it installed the equipment necessary to obtain actual load data, which was used in the study.¹⁴

16. Similarly, SoCal Edison disagrees with Mission Creek's assertion that by using historical data, instead of contract data, to determine the amount of existing generation for a different solar project, SoCal Edison unduly discriminated against Mission Creek. SoCal Edison explains that in determining the type of data that it will use to model the queue-ahead generation, it considers, among other things, the risk that the generators will peak simultaneously. In evaluating this risk, SoCal Edison explains, it considers the technical components of the substation and the area that it serves. The Mojave West Project, SoCal Edison explains, connects to a large substation, the Windhub 500/200/66 kV substation, which is located in a Tehachiapi area, a large section of its system. Further, a study evaluating when the generators in the Tehachiapi area simultaneously reach peak capacity is available to SoCal Edison as part of CAISO's planning process. SoCal Edison asserts that using the study on coincident peak is consistent with good utility practice. In contrast, SoCal Edison asserts, a similar study during CAISO's planning process was not performed for the area served by the Garnet Substation. In addition, SoCal Edison asserts, since the Project connects to a single 115/33 kV substation serving fewer generators than the Windhub substation, there is a higher probability that the generation resources will peak at the same time. Accordingly, SoCal Edison argues, the Mojave West Project is very different from the Mission Creek solar Project and those differences led SoCal Edison to use a different method to study the effects of generation resources.¹⁵

¹⁴ *Id.* at 6.

¹⁵ *Id.* at 7-8.

17. SoCal Edison also asserts that Mission Creek misinterprets the queue status of QF 6213, a pre-existing QF facility.¹⁶ SoCal Edison explains that QF 6213 initially entered the interconnection queue to study the impact of potentially upgrading its interconnection facilities on April 13, 2010. According to SoCal Edison, QF 6213 decreased its generation capacity and decided to convert to the WDAT, which does not require it to re-enter the interconnection queue.¹⁷ Accordingly, SoCal Edison argues, QF 6213 did not move ahead of the Project in the interconnection queue, and therefore, all 18 MW of the QF's generation should be included as existing generation capacity served by the Garnet transformers.

18. Lastly, SoCal Edison argues that its practices are not discriminatory against renewable projects. SoCal Edison explains that Mission Creek's claim that renewable resources tend to peak at different times does not justify a change to SoCal Edison's practices since it must account for the risks of coincident peak generation during minimum load conditions.¹⁸

19. In its answer to Mission Creek's answer, SoCal Edison reiterates its contentions that it did not discriminate against Mission Creek's project and that it properly included the generation from QF 6312 in the Project's system impact study.¹⁹

C. Mission Creek Answer

20. Mission Creek argues in its answer that SoCal Edison provides no valid justification for its disparate treatment between Mission Creek's Project and the Mojave West Project.²⁰ Mission Creek repeats their argument from their protest that SoCal Edison assumed all queued-ahead generators were producing their maximum, contracted output at all times. Mission Creek essentially argues that similar older wind turbines

¹⁶ Mission Creek refers to this facility as QF 6213, while SoCal Edison refers to it as QF Facility and WDT 535. We will refer to it as QF 6213.

¹⁷ SoCal Edison Answer at 8 (citing *CalWind Resources, Inc. v CAISO*, 146 FERC ¶ 61,121, at P 34 (2014) (A QF generator maintaining its existing contract capacity should not be treated as a newly interconnected generator)).

¹⁸ *Id.* at 8-9.

¹⁹ SoCal Edison April 8, 2014 Answer.

²⁰ Mission Creek April 1, 2014 Answer at 3 (Mission Creek Answer).

from the Mojave West Project are present and connected to the Garnet Substation and therefore should be treated similarly in SoCal Edison system impact study.²¹

21. Mission Creek asserts that SoCal Edison has not justified including all of the generation capacity from the QF 6213 interconnection request in the queue-ahead component of Mission Creek's system impact study. Mission Creek argues that SoCal Edison split QF 6213 into three projects and performed a series of other transactions, such as converting the projects from QF to Rule 21 Projects, and then subsequently, to WDAT interconnections. Mission Creek argues that SoCal Edison's modifications to QF 6213 are inconsistent with *CalWind Resources*, so the generation associated with the interconnection requests should not be included as queued-ahead generation in its study.²² Similarly, Mission Creek argues that due to provisions in QF 6213's power purchase agreement, SoCal Edison may not change the interconnection queue position of QF 6213.

III. Discussion

A. Procedural Matters

22. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), Mission Creek's timely, unopposed motions to intervene serve to make it a party to the proceeding.

23. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2013), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept SoCal Edison and Mission Creek's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Issues

24. We find that the Agreements are just, reasonable, and not unduly discriminatory. To determine whether Mission Creek is responsible for distribution upgrade costs, SoCal Edison performed a system impact study, which concluded that the incremental generation capacity of the Project will exceed the maximum operational capacity the existing transformers at the Garnet substation. We find that SoCal Edison determined the necessary distribution upgrades resulting from the interconnection of the Project

²¹ *Id.* at 3-4.

²² *Id.* at 6 (citing *CalWind Resources Inc.*, 146 FERC ¶ 61,121, at P 34 (2014)).

consistent with the terms and conditions of its WDAT interconnection procedures. The WDAT does not prescribe the exact way in which SoCal Edison must perform a system impact study, but it does allow it to use contract data, load forecasting, and pending interconnection requests, consistent with good utility practice.²³ SoCal Edison used such contract data and load forecasts consistent with the WDAT. Further, although Mission Creek does contend that SoCal Edison did not offer sufficient explanation for its minimum load forecast calculations, SoCal explains that it did ultimately use historical data for all but one substation that did not have the necessary equipment.²⁴ Accordingly, we accept the unexecuted Agreements, effective April 20, 2014, as requested.

25. We find that Mission Creek's argument that SoCal Edison incorrectly considers generation from QF 6213, an earlier-filed interconnection project, in the Project's system impact study lacks merit. Mission Creek acknowledges that generation from QF 6213 was in operation before it submitted its interconnection request. Since QF 6213 was not proposing to expand its capacity, it did not need to reenter the queue, and thus SoCal Edison properly considered its generation when performing the system impact study.²⁵

26. We also disagree with Mission Creek's argument that by refusing to use historical data in the system impact study, SoCal Edison unduly discriminated against Mission Creek. First, as stated above, SoCal Edison did use the historical minimum load served by the Garnet transformers in the Project's system impact study for substations that had the necessary equipment.²⁶ Second, Mission Creek fails to demonstrate undue discrimination in how SoCal Edison performed its system impact study in comparison to the Mojave West Project.²⁷ Specifically, SoCal Edison declined to use the contract data when performing the Mojave West Project system impact study, in part, because it was able to rely on a separate coincident peak study of the generators, including the Mojave West Project, served by Windhub Substation. SoCal Edison used contract data for the Project's study because a similar coincident peak study is not available for the 115/33 kV

²³ SoCal Edison, FERC Electric Tariff, Second Revised Volume No. 5, Attachment D; SoCal Edison Answer at 6 (citing Rogelio Salas Testimony at 3-5).

²⁴ SoCal Edison Answer at 6.

²⁵ *CalWind Resources, Inc.* 146 FERC ¶ 61,121, at P 34 (2014).

²⁶ SoCal Edison Answer at 6.

²⁷ *Hess Corp.*, 142 FERC ¶ 61,040, at P 35 (2013) (“[d]iscrimination is undue when there is a difference in rates or service among similarly situated customers that is not justified by some legitimate factor.”).

Garnet Substation, as it serves a smaller amount of generators over a smaller geographic area than the Windhub Substation. Because analysis of the Garnet Substation entails a more localized area, SoCal Edison reasonably estimates that there is a substantial risk that the generators will peak simultaneously.

27. Finally, we find that Mission Creek's argument that SoCal Edison discriminates against renewable resources by assuming that all generation from renewable generators peak at the same time lacks merit. Under the WDAT, interconnection requests are evaluated at the maximum rated capacity of the generator.²⁸ Also, in determining the level of capacity available for new service requests, SoCal Edison may consider the firm contractual obligations on its distribution system, which is what it elected to do for its study of the Project.²⁹ Thus, SoCal Edison's methodology was consistent with its WDAT.

The Commission orders:

SoCal Edison's unexecuted Agreements are hereby accepted, effective April 20, 2014, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

²⁸ SoCal Edison, FERC Electric Tariff, Second Revised Volume No. 5, Attachment G, Section 4.10.1, Capacity of the Small Generating Facility.

²⁹ SoCal Edison, FERC Electric Tariff, Second Revised Volume No. 5, Attachment D.