

Stakeholder Comments Template

Submitted by	Entity	Date Submitted
CPUC Staff	California Public Utilities Commission	July 27, 2020

Please use this template to provide your written comments on the 2020 Draft TMCR Report posted on May 15 and the presentation discussed during the June 26, 2020 stakeholder meeting.

Submit comments to FERCCaseAdmin@sce.com

Comments are due July 27, 2020 by 5:00pm

The 2020 Draft TMCR Report and the presentation discussed during the June 26, 2020 stakeholder meeting can be found on SCE’s website at the following link:

<https://www.sce.com/regulatory/open-access-information?from=%20/aboutsce/regulatory/openaccess/default.htm>

Please use this template to provide your written comments on the 2020 Draft TMCR Report topics listed below and any additional comments you wish to provide.

1. TMCR Process Overview

In FERC Docket No. ER18-370, SCE stated that it “recognize[d] the value of sharing appropriate information with its stakeholders so that they can better understand the complex and meticulous process that is involved in safely and reliably operating and maintaining SCE’s transmission facilities.”¹ As SCE began the TMCR process in 2019, this year is the second year in which SCE is doing the TMCR. Despite stakeholders’ previous requests for information that is relevant to their purposes, SCE appears, for the most part, unwavering in its determination of what is “appropriate” information for stakeholders.

Unfortunately, most of the issues regarding transparency that the CPUC commented on in the Final 2019 TMCR Report remain unaddressed in the Draft 2020 TMCR Report (“Draft Report”). Specifically, SCE did not directly address the CPUC’s concerns with the opportunity for discovery for all stakeholders, providing data on Years 1-2 and not just Years 3-5, or providing the TMCR data on a more granular level. Below, the CPUC reiterates the importance of the issues previously raised.

The CPUC notes that the Stakeholder Review Process (SRP) settled on in SCE’s TO2019A transmission owner rate case² will likely remedy most of the ongoing deficiencies in the TMCR, as stakeholders will have the opportunity for more transparency and authentic engagement. However, as the SRP will not commence until December 2020, it is important to address the gaps in information that the TMCR results in.

The Opportunity for Discovery Should Be Available to All Stakeholders

In its transmission owner tariff (TOT), SCE states that it “will conduct an open, coordinated, and transparent process for all interested stakeholders.”³ However, as the CPUC, Six Cities, and NCPA all stated in their comments on the Draft and Final 2019 TMCR Reports, SCE appeared open to responding *only* to CPUC data requests regarding the 2019 TMCR Report as the CPUC is its regulatory agency. SCE did not change its position on this issue during the review period for the 2020 Draft Report; when the CPUC sent SCE a data request in June, SCE informed the CPUC that discovery is not part of the TMCR process, but that it would respond only to the CPUC.

The CPUC appreciates that, as part of the TMCR process, SCE hosts a stakeholder meeting after the issuance of its draft report. However, in light of both SCE allowing data requests from only regulatory bodies and the high-level/general nature of SCE’s TMCR reports thus far, the CPUC believes this to be a very limited method of involving stakeholders in the TMCR process. Not accepting data requests from non-regulatory stakeholders leaves those stakeholders with limited information and few opportunities to appropriately analyze projects included in SCE’s

¹ FERC Docket No. ER18-370, SCE Transmittal Letter, page 3.

² FERC Docket No. ER19-1553.

³ SCE Transmission Owner Tariff, Appendix XI, Section III – Stakeholder Process.

TMCR reports. An effective stakeholder process requires openness and transparency with all stakeholders, not just the ones that a utility must respond to by law.

The TMCR Report Should Include Forecasts for Years 1-2

As in the 2019 TMCR Report, the Draft Report excludes capital expenditure forecasts for Years 1-2 (in this TMCR cycle, these correspond to the years 2020 and 2021). As stated in the CPUC's comments on the 2019 TMCR Report, data for Years 1-2 is needed in addition to the data for Years 3-5 in order for stakeholders to understand how projects are being prioritized and implemented for the full five-year window. Excluding the most immediate two years' worth of data would effectively force stakeholders to research the information on their own and if the information is not available in other filings, perhaps formulate approximations based on less ideal data. It is understood that SCE's internal modus operandi for determining capital expenditures does not include Year 1-2 forecasts but the unintended impact is creating a TMCR process that is less transparent and that hinders stakeholders' ability to adequately review and comment.

Additionally, SCE's explanation of which projects and facilities are outside the scope of the TMCR in its Draft Report and the language in its TOT appear to be inconsistent with each other. SCE's TOT, Appendix XI, Section I states that "projects or facilities outside the scope of the TMCR include facilities or projects that require an in-service date less than two years after their need being identified."⁴ According to the TOT language, projects whose needs were identified greater than two years before projected in-service dates falling in 2020 and 2021 (Years 1 and 2) would be within the scope of the TMCR process. However, the Draft Report simply states that "[p]rojects that are less than two years from their projected in-service date will not be included in the TMCR."⁵

It is unclear why SCE is insistent on excluding Years 1-2 expenditures from its TMCR reports when 1) including them would increase both transparency and stakeholder trust in SCE's capital expenditures, and 2) the information is available to SCE (albeit, in a different format) in its transmission owner (TO) rate filings. In light of this, simply stating that data from Years 1-2 is outside of the TMCR scope⁶ is not conducive to a process that SCE states is "open, coordinated, and transparent."

The Projects in the TMCR Forecasts Should Be Presented on a More Granular Level

As with SCE's 2019 TMCR Report, most of the projects in the Draft Report are described on a more general level such as a Capital Work Breakdown Structure or even higher at a Project ID Number (PIN) level, particularly for what appears to be Blanket Programs. For example, Appendix B, which contains the underlying financial data for the program categories in the

⁴ SCE Draft 2020 TMCR Report, page 7.

⁵ SCE Draft 2020 TMCR Report, page 7, footnote 2.

⁶ SCE Final 2019 TMCR Report, Appendix C – Response to Stakeholder Comments on Draft 2019 TMCR Report.

Draft Report, provides financial data on a PIN basis, which in turn applies to general categories such as “Substation Miscellaneous Equipment Additions & Betterment” and “Transmission Grid-Based Maintenance.” It is the CPUC’s determination that a more transparent and helpful way to provide this data to stakeholders would be to provide it on a Work Order level in addition to providing the Integrated Work Plan (IWP) information associated with such projects.

Conclusion

The CPUC recognizes its unique position of being both a stakeholder and regulator of SCE and appreciates that SCE will provide additional information regarding its TMCR projects upon the CPUC’s request. However, SCE has made it clear that it does not provide the same treatment to other stakeholders despite the TMCR process supposedly being an “open, coordinated, and transparent process for all interested stakeholders.” Implementing the CPUC’s recommendations above would certainly be a step in the right direction towards achieving what SCE claims the TMCR process is.