

December 23, 2015

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Dear Ms. Bose:

Pursuant to Section 35.13 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") Regulations under the Federal Power Act (18 C.F.R. § 35.13), Southern California Edison Company ("SCE" or "Distribution Provider") tenders for filing a Generator Interconnection Agreement For a Generating Facility Interconnecting Under the Independent Study Process ("GIA") and a Service Agreement for Wholesale Distribution Service ("Service Agreement") between SCE and Sunray Energy, LLC ("Interconnection Customer") under SCE's Wholesale Distribution Access Tariff ("WDAT"), FERC Electric Tariff, Volume No. 5.

The documents submitted with this filing consist of this letter of transmittal and all attachments hereto, the GIA, and the Service Agreement.

### Background

The Interconnection Customer owns a 13.8 MW (net) solar thermal, parabolic trough, generating facility named the SEGS I Project ("Project"), located in Daggett, California. The Project is an existing interconnected

generation resource interconnected to SCE's Distribution System at a tap on the Distribution Provider's Luz 33kV distribution line out of Gale 115/33 kV Substation.

The Interconnection Customer has been selling the capacity and energy produced by the Project entirely to SCE under an amended power purchase agreement ("PPA") subject to the jurisdiction of the California Public Utilities Commission ("CPUC") dated June 14, 1985.<sup>1</sup> The PPA includes, as an Appendix thereto, an interconnection facilities agreement ("IFA") pursuant to which, among other things, the Interconnection Customer and SCE established interconnection arrangements between the Project and SCE's electric system. Interconnection Customer has been paying the annual cost of SCE's operation and maintenance of those interconnection facilities constructed by SCE to accommodate the Project under the CPUC-jurisdictional IFA. The parties have agreed to terminate the IFA effective at midnight on December 31, 2015 and to establish interconnection arrangements pursuant to the WDAT.

The Interconnection Customer will replace the existing solar thermal technology and steam-turbine generator with inverter based photovoltaic technology, as described in Section 1 of Appendix C of the GIA ("Repower"), and Distribution Provider issued a repower study report on February 12, 2015, as amended on May 28, 2015, that concluded that the capability and electrical characteristics of the Generating Facility will be substantially unchanged by the Interconnection Customer's Repower.

### Service Agreement

The Service Agreement sets forth SCE's agreement to provide Distribution Service for 13.8 MW of power produced by the Project to the ISO

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<sup>1</sup> The Interconnection Customer is the successor-in-interest to the PPA (which includes the right to interconnect) to Daggett Leasing Corporation, who is the successor-in-interest to Luz Solar Partners LTD.

Grid at SCE's 115 kV bus at Cool Water Substation. The Service Agreement provides that service will commence on the later of (1) the Effective Date of the GIA (For purposes of initiating Distribution Service under the Service Agreement, the requirement in section (2) following shall not be valid); or (2) the date on which construction of any Direct Assignment Facilities and/or Distribution System Upgrades specified in Sections 7.0 and 8.0 of the Specifications For Wholesale Distribution Service attached to the Service Agreement ("Specifications") are completed and all additional requirements are met pursuant to Section 13.5 of the WDAT, or (3) such other date as it is permitted to become effective by the Commission.

Pursuant to Section 9.0 of the Specifications, a loss factor credit of 3.73 percent will be applied to the Project's generation. SCE previously supported the loss factor credit for generators interconnected at distribution voltages below 50 kV and greater than or equal to 2 kV in Docket No. ER98-2365-000, dated March 31, 1998.

### GIA

The GIA specifies the terms and conditions pursuant to which SCE will engineer, design, construct, own, operate, and maintain the Distribution Provider's Interconnection Facilities and Distribution Upgrades required to interconnect the Project to SCE's Distribution System and pursuant to which Interconnection Customer will pay for such facilities. The Distribution Provider's Interconnection Facilities, as described in Appendix A, Section 1(b) of the GIA,<sup>2</sup> and the Distribution Upgrades, as described in Appendix A, Section 3 of the GIA, are those facilities necessary to interconnect the Project to SCE's Distribution System and will facilitate the Distribution Service SCE will provide under the Service Agreement.

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<sup>2</sup> The Distribution Provider's Interconnection Facilities include existing and new interconnection facilities.

The existing Distribution Provider's Interconnection Facilities, as described in Appendix A, Sections 1(b)(i), were constructed for the purpose of interconnecting the Project to SCE's electric system under the CPUC-jurisdictional IFA. The capitalized cost of these facilities ("Interconnection Facilities Cost") is \$60,719.35, and the Interconnection Customer paid for these facilities under the IFA.

Pursuant to the GIA, the Interconnection Customer will be responsible for the Interconnection Facilities Payment and the Distribution Upgrades Payment. The Interconnection Facilities Payment compensates SCE for the Interconnection Facilities Cost associated with the design, engineering, procurement, construction and installation of the new Distribution Provider's Interconnection Facilities, as described in Appendix A, Section 1(b)(ii) of the GIA, and any non-capitalized costs associated with such facilities. The Distribution Upgrades Payment compensates SCE for the capitalized costs incurred by SCE associated with the design, engineering, procurement, construction and installation of the Distribution Upgrades ("Distribution Upgrades Cost"), and any non-capitalized costs associated with such facilities. The new Distribution Provider's Interconnection Facilities and the Distribution Upgrades are required for the Repower and to ensure that the interconnection meets SCE's current interconnection standards for generators set forth in its interconnection handbook. The Interconnection Facilities Payment is \$288,000.00, and the Distribution Upgrades Payment is \$166,500.00, both payments as set forth in Appendix A, Section 17 of the GIA.

Following the Effective Date of the GIA, Interconnection Customer will pay to SCE a monthly Interconnection Facilities Charge to recover the ongoing revenue requirement for the existing facilities. The Interconnection Facilities Charge is \$370.39 per month and is calculated as the product of Customer-Financed Monthly Rate and the Interconnection Facilities Cost ( $0.61\% \times \$60,719.35$ ).

Following the completion date of the new Distribution Provider's Interconnection Facilities, the monthly Interconnection Facilities Charge shall increase to \$2,127.19, which is the product of 0.61% (Customer-Financed Monthly Rate) and \$348,719.35 (the Interconnection Facilities Cost for both the existing and new facilities).

Following the completion date of the Distribution Upgrades, the Interconnection Customer will pay to SCE a monthly Distribution Upgrades Charge to recover the ongoing revenue requirement for the Distribution Upgrades. The monthly Distribution Upgrades Charge shall be \$1,015.65, which is the product of 0.61% (Customer-Financed Monthly Rate) and \$166,500.00 (Distribution Upgrades Cost for the new facilities).

The Customer-Financed Monthly Rate is 0.61%. This rate is the rate<sup>3</sup> adopted by the CPUC for application to SCE's retail electric customers for customer-financed added facilities, which compensates SCE for replacement of added facilities. Use of the CPUC rate is consistent with the SCE rate methodology accepted for filing by the Commission in prior generator interconnection agreement dockets. SCE provided cost justification for this rate in Docket No. ER15-2325-000. This is the same rate that the Interconnection Customer paid under its CPUC-jurisdictional IFA.

A table showing the estimated revenues SCE will collect under the GIA during the first 12 months is provided in Attachment A to this filing letter.

As set forth in Article 2.1, the GIA will become effective upon execution, subject to acceptance by the Commission.

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<sup>3</sup> The CPUC recently adopted new added facilities rates for SCE's retail customers. SCE will revise the GIA and Service Agreement to reflect the new rates in a subsequent filing.

### Waiver

SCE respectfully requests, pursuant to Section 35.11 (18 C.F.R. § 35.11) of the Commission's regulations, waiver of the 60-day prior notice requirements specified in Section 35.3 (18 C.F.R. § 35.3), and requests the Commission to assign an effective date of January 1, 2016, to the GIA and Service Agreement, the day after the CPUC-jurisdictional IFA terminates. Such waiver would be consistent with the Commission's policy set forth in Central Hudson Gas & Electric Corp., et al., 60 FERC ¶ 61,106 (1992), *reh'g denied*, 61 FERC ¶ 61,089 (1992), that waiver of the 60-day prior notice requirement will generally be granted where good cause is shown. Good cause exists because the IFA terminates on December 31, 2015 and in order to provide continuous service, service under the GIA would need to start on January 1, 2016. The granting of this waiver will not have any impact on SCE's other rate schedules or service agreements.

### Other Filing Requirements

No expenses or costs included in the rates tendered herein have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

SCE believes that the data contained in this letter provides sufficient information upon which to accept this filing; however, to the extent necessary, SCE requests that the Commission waive its filing requirements contained in Sections 35.5 and 35.13 (18 C.F.R. § 35.5 and 35.13) of the Commission's regulations.

SCE believes this filing conforms to any rule of general applicability and to any Commission order specifically applicable to SCE, and has made copies of this letter and all attachments hereto available for public inspection in SCE's

principal office located in Rosemead, California. SCE has mailed copies to those persons whose names appear on the mailing list attached hereto.

SCE requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Claire Torchia  
Senior Attorney  
Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
[Claire.Torchia@sce.com](mailto:Claire.Torchia@sce.com)

SCE also requests that an additional copy of any correspondence and orders be sent to the undersigned at [James.Cuillier@sce.com](mailto:James.Cuillier@sce.com).

Very truly yours,



JAMES A. CUILIER

FEDERAL ENERGY REGULATORY COMMISSION

Mailing List

NAME	ADDRESS
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Public Utilities Commission  
State of California  
Legal Division  
[Arocles.Aguilar@cpuc.ca.gov](mailto:Arocles.Aguilar@cpuc.ca.gov)

State Building  
505 Van Ness Avenue  
San Francisco, California 94102

William Felts, Vice President  
Sunray Energy, LLC  
[billfelts@cogentrix.com](mailto:billfelts@cogentrix.com)

9405 Arrowpoint Boulevard  
Charlotte, NC, 28273



**ATTACHMENT A**

**ESTIMATE OF REVENUES**

**GIA and Service Agreement  
SEGS I Project**

**Estimate of Revenues**

<b>Month</b>	<b>Interconnection Facilities Payment<sup>4</sup></b>	<b>Interconnection Facilities Charge</b>	<b>Distribution Upgrades Payment</b>	<b>Distribution Upgrades Charge</b>	<b>Total</b>
January – 2016	\$288,000.00	\$370.39	\$166,500.00	\$0.00	\$454,870.39
February – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
March – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
April – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
May – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
June – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
July – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
August – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
September – 2016	\$0.00	\$370.39	\$0.00	\$0.00	\$370.39
October – 2016	\$0.00	\$2,127.19	\$0.00	\$1,015.65	\$3,142.84
November – 2016	\$0.00	\$2,127.19	\$0.00	\$1,015.65	\$3,142.84
December – 2016	\$0.00	\$2,127.19	\$0.00	\$1,015.65	\$3,142.84
<b>Total</b>	<b>\$288,000.00</b>	<b>\$9,715.08</b>	<b>\$166,500.00</b>	<b>\$3,046.95</b>	<b>\$467,262.03</b>

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<sup>4</sup> See Appendix A, Section 17 of the GIA for the payment schedule.