

## Third Amendment to Interconnection Facilities Agreement with Southern California Edison

Riverside Public Utilities

City Council  
December 18, 2018

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### BACKGROUND

Riverside Transmission Reliability Project (RTRP) - joint project with Southern California Edison (SCE)

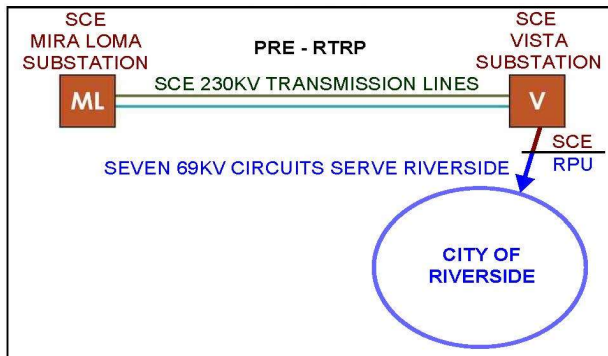
1. Provides Riverside a second connection to the state electrical grid;
2. Addresses electrical capacity and reliability needs of Riverside; and,
3. Improves Riverside Public Utilities' (RPU) 69kV transmission network.



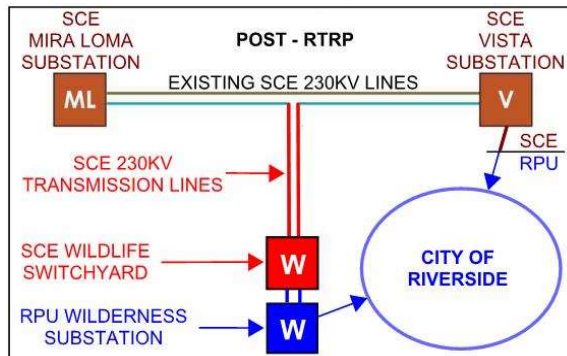
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## BACKGROUND (Continued)



**SINGLE CONNECTION  
TO THE STATE GRID**



**TWO CONNECTIONS  
TO THE STATE GRID**



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## MILESTONES

1. December 2004 – RPU applies for second connection to the state grid
2. January 2006 – Riverside's Board of Public Utilities approves RTRP
3. September 2006 – California's Independent System Operator (ISO) approves the project as a necessary and cost effective addition to the state grid



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## MILESTONES (Continued)

4. March 2009 - Riverside City Council approves the Interconnection Facilities Agreement (Agreement) between SCE and RPU. All costs incurred by Riverside related to ISO controlled facilities are to be reimbursed by SCE following project approval by the CPUC.
5. April 2009 - The Federal Energy Regulatory Commission (FERC) certifies the Agreement
6. August 2010 – The First Amendment to the Agreement is approved by Council and filed with FERC



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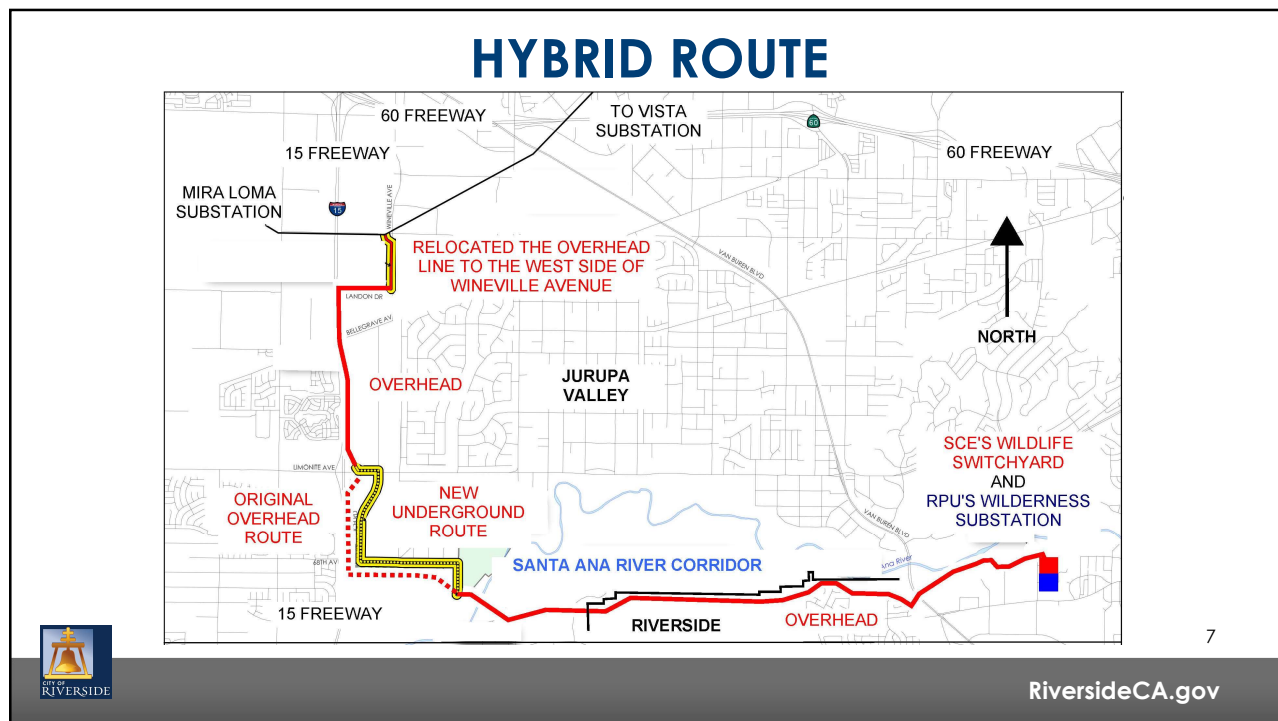
## MILESTONES (Continued)

7. April 2015 - SCE submits its application to the California Public Utility Commission (CPUC) for a Certificate of Public Convenience and Necessity (CPCN)
8. September 2016 – SCE submits a modified route (Hybrid Route) to the CPUC
9. January 2017 – CPUC deems SCE's application complete but decides additional environmental work is required to study changed conditions between the Hybrid Route and the original proposed route



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## MILESTONES (Continued)

10. August 2017 - CPUC administrative law judge (ALJ) directs SCE, RPU, and the ISO to prepare a joint report addressing low voltage alternatives to RTRP. (Report completed and submitted in January 2018)
11. April 2018 – CPUC releases its Subsequent Environmental Impact Report for public comment
12. March 2018 – The Second Amendment to the Agreement is approved by Council and filed with FERC

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## **MILESTONES (Continued)**

13. October 2, 2018 – CPUC releases its Final Subsequent Environmental Impact Report. CEQA Process Complete
14. October 3, 2018 – CPUC General Proceeding & Decision Making Process begins. (Case-in-Chief phase)
15. November 13, 2018 – CPUC pre-hearing conference
16. Fourth quarter 2019 - CPUC to issue final decision



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## **DISCUSSION**

1. As approved by Council and filed with FERC, the total amount of the existing Agreement is \$12,356,300
2. Consistent with the Agreement, RPU has paid SCE \$10,320,000
3. SCE's licensing and permitting costs have increased significantly



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## DISCUSSION (Continued)

4. As of August 31, 2018, SCE has spent \$11,174,844 on its licensing and permitting activities
5. SCE estimates an additional \$4,264,156 is needed to complete this task
6. SCE estimates \$5,119,000 contribution by RPU to fund SCE's cost of the licensing and permitting activities



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## DISCUSSION (Continued)

7. Proposed Third Amendment to the Agreement also reflects SCE's increase in cost for SCE facilities that serve Riverside exclusively
8. SCE estimates an additional \$6,739,110.88 is needed over and above the prior estimate of \$9,196,300 for a total amount of \$15,935,410.88
9. The non-reimbursable payments for the Riverside facilities are not due until after the CPUC issues a CPCN



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## DISCUSSION (Continued)

10. RPU's costs related to the CAISO controlled facilities including payments made to SCE for licensing, permitting, and environmental activities of the CAISO controlled facilities are 100% reimbursable by SCE
11. Amending the Agreement is necessary for SCE to continue work RTRP



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## DISCUSSION (Continued)

	SECOND AMENDMENT		THIRD AMENDMENT		
	Existing IFA (A)	Amount Paid to SCE by RPU (B)	Proposed IFA (C)	Increase (C) - (A)	Amount Due To SCE by RPU (C) - (B)
Reimbursable	\$3,160,000.00	\$10,320,000.00	\$15,439,000.00	\$12,279,000.00	\$5,119,000.00 (Payments due following Council approval)
Non- Reimbursable	\$9,196,300.00 (Payments due following CPUC approval)	\$0	\$15,935,410.88	\$6,739,110.88	\$15,935,410.88 (Payments due following CPUC approval)
TOTALS	\$12,356,300.00	\$10,320,000.00	\$31,374,410.88	\$19,018,110.88	\$21,054,410.88



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## RECOMMENDATIONS

That the City Council:

1. Approve the Third Amendment to the Interconnection Facilities Agreement with Southern California Edison Company to revise the Facilities Cost and Payment Schedule and increase the amount of the Agreement by \$19,018,110.88 for a total contract amount of \$31,374,410.88; and



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## RECOMMENDATIONS (Continued)

2. Authorize the City Manager, or his designee, to execute the Third Amendment to the Interconnection Facilities Agreement including making minor non-substantive changes, and to sign all documents necessary to complete the transaction for filing with the Federal Energy Regulatory Commission by Southern California Edison Company.



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