

Second Amendment to the Interconnection Facilities Agreement with SCE for RTRP

Public Utilities Department

City Council
March 13, 2018

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Background

Riverside Transmission Reliability Project (RTRP) is a joint project with Southern California Edison Company (SCE) to provide the City of Riverside a second connection to the state electrical grid. RTRP:

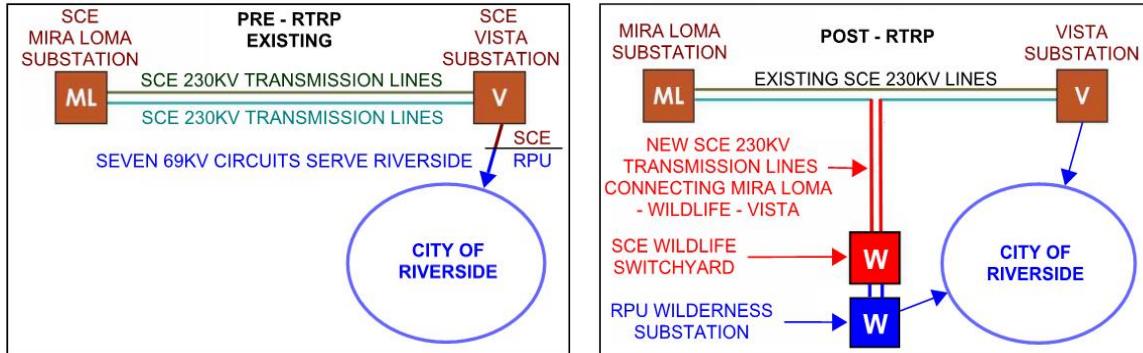
1. Addresses electrical capacity and reliability needs of Riverside
2. Improves Riverside Public Utilities' (RPU) 69kV transmission network.



2

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Background (continued)



Single connection to
the state grid

Two connections to
the state grid

3

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MILESTONES

1. November 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 Independent System Operator (CAISO) approves the project as a necessary and cost effective addition to the state grid.

4

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MILESTONES (Continued)

4. March 2009 - Riverside City Council approves the Interconnection Facilities Agreement (IFA) between SCE and RPU. **The IFA requires that SCE reimburse Riverside payments for ISO controlled facilities following CPUC's approval.**
5. April 2009 - The Federal Energy Regulatory Commission (FERC) certifies the IFA.
6. November 2010 – IFA is amended and the First Amendment to the IFA is approved by FERC.

5

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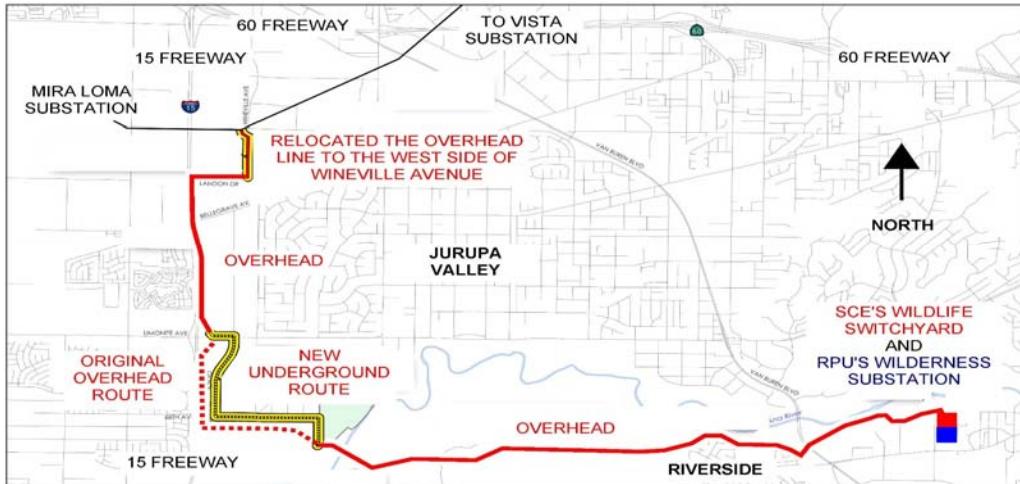
MILESTONES (Continued)

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

6

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Hybrid Route



7

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DISCUSSION

1. Per 2010 Agreement, RPU pays SCE \$8,820,000 for Permitting and Licensing efforts - the entire funding amount contemplated under that agreement.
2. August 2017 - CPUC administrative law judge (ALJ) directs SCE, RPU, and CAISO to prepare a joint report addressing low voltage alternatives to RTRP.
3. July 2017 – SCE seeks to amend the IFA to recover additional costs to keep RPU's application moving.



8

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DISCUSSION (Continued)

4. Ongoing environmental, permitting, and licensing approval tasks have increased costs and contributed to project delays.
5. Proposed Second Amendment to the IFA increases Licensing and Permitting Cost by an additional \$1,500,000.
6. The \$1,500,000 increase is an interim measure to provide time for RPU to review SCE's records and accounts of all costs incurred, and to review SCE's proposed costs to complete the project.

9



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10



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RECOMMENDATIONS

That the City Council:

1. Approve the Second Amendment to the Interconnection Facilities Agreement with SCE revising the cost and payment schedule and increasing the amount of the agreement by \$1,500,000; and,
2. Authorize the City Manager, or his designee, to execute the Second 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 FERC by SCE.



11

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