



# Second Amendment to the Interconnection Facilities Agreement Between SCE and RPU for the Riverside Transmission Reliability Project (RTRP)

Public Utilities Department

Board of Public Utilities  
February 26, 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:

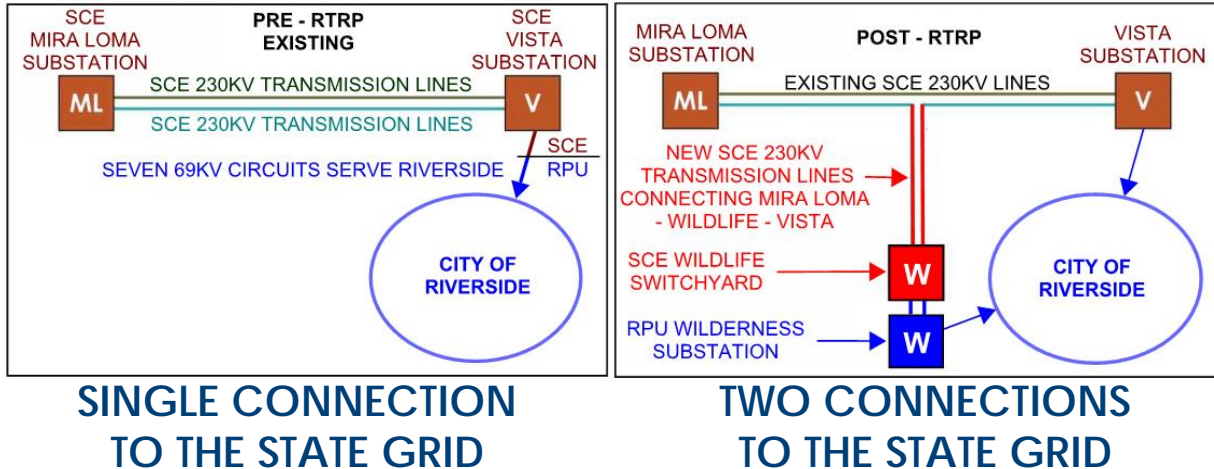
1. Addresses electrical capacity and reliability needs of Riverside
2. Improves Riverside Public Utilities' (RPU) 69kV transmission network.

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## BACKGROUND (Continued)



**SINGLE CONNECTION  
TO THE STATE GRID**

**TWO CONNECTIONS  
TO THE STATE GRID**

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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.

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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.

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## MILESTONES (Continued)

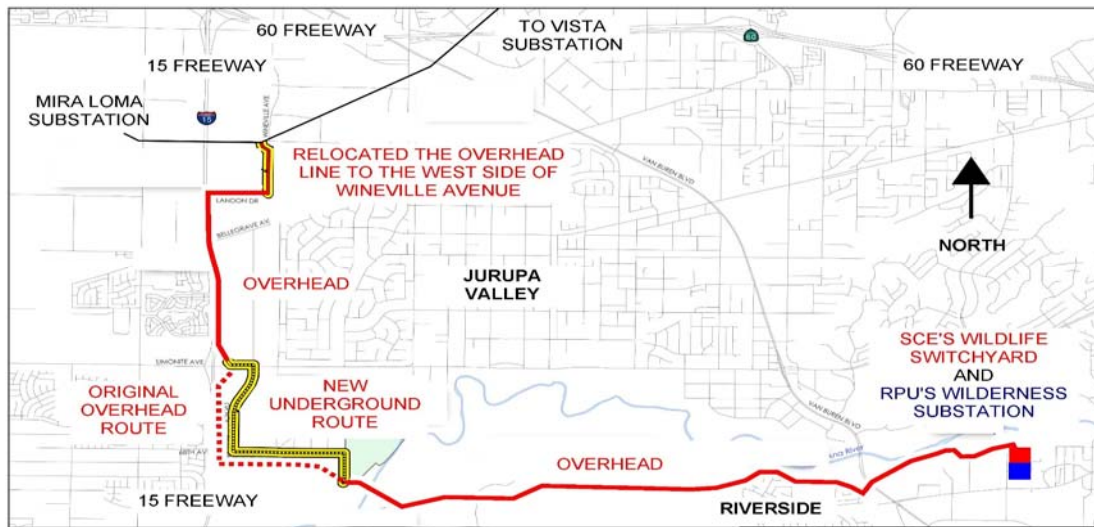
7. April 2015 - SCE submits its application to the California Public Utility Commission (CPUC) for a Certificate of Public Convenience and Necessity (CPCN).
8. January 2017 - CPUC deems SCE's application complete but decides additional environmental work is required to study the changed conditions between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

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## HYBRID ROUTE



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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.

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## DISCUSSION

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.

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## DISCUSSION (Continued)

7. Amending the Agreement is necessary for SCE to continue work on the project.
8. Staff will present proposed Third Amendment to Board at a later date.
9. The \$8,820,000 paid to SCE under the 2010 Agreement were used for Licensing and Permitting costs – 100% reimbursable to Riverside once the CPUC approves RTPP

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## RECOMMENDATIONS

That the Board of Public Utilities:

1. Approve the expenditure of \$1,500,000 for Work Order 642975;
2. Recommend that the City Council approve the Second Amendment to the Interconnection Facilities Agreement; and,

## RECOMMENDATIONS (continued)

3. Recommend that the City Council authorize the City Manager to execute the Second Amendment to the Interconnection Facilities Agreement and to sign all documents necessary to complete the transaction for filing with FERC by SCE.