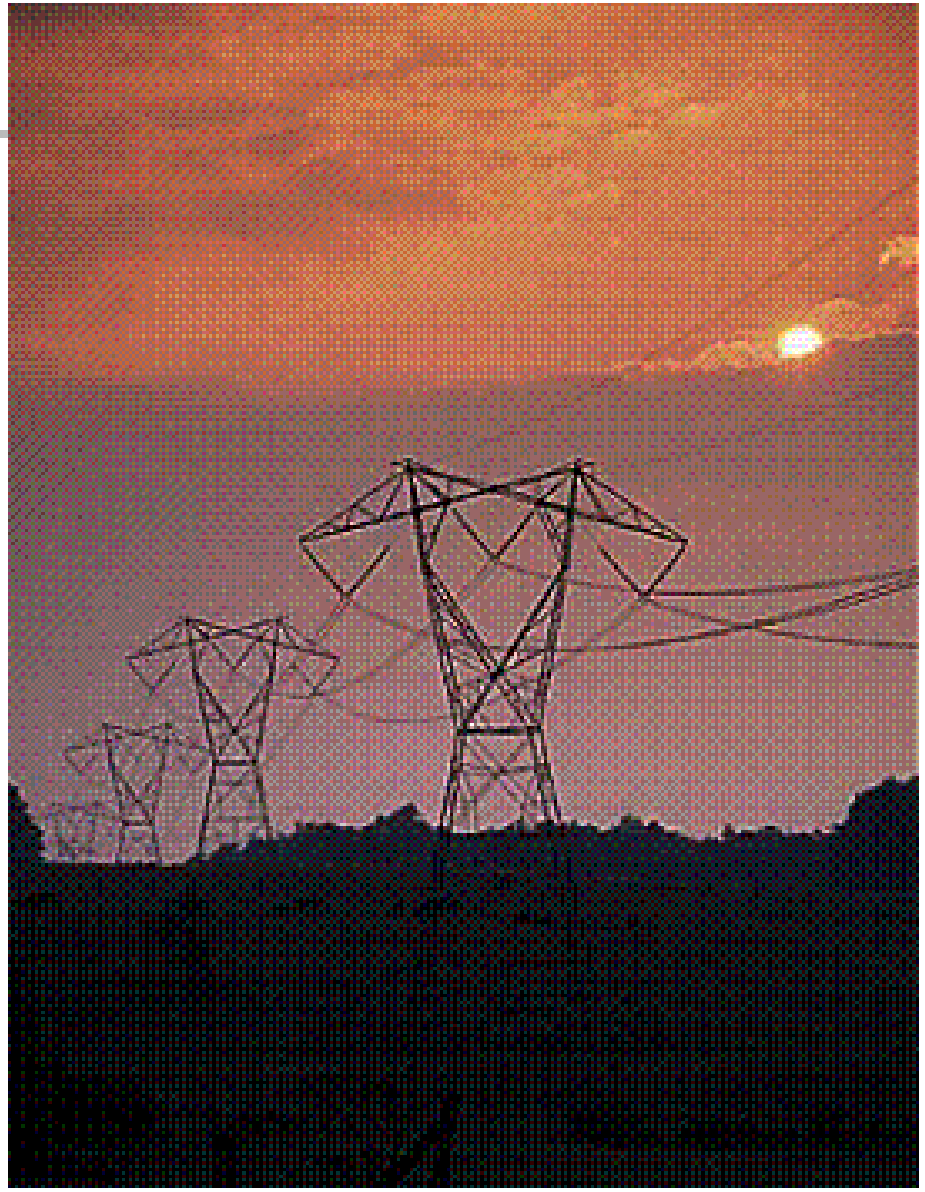
SCE's Devers-Palo Verde 2 - A.05-04-015

In the Matter of the Application of Southern California Edison Company for a Certificate of Public Convenience and Necessity Concerning the Devers-Palo Verde No. 2 Transmission Line Project

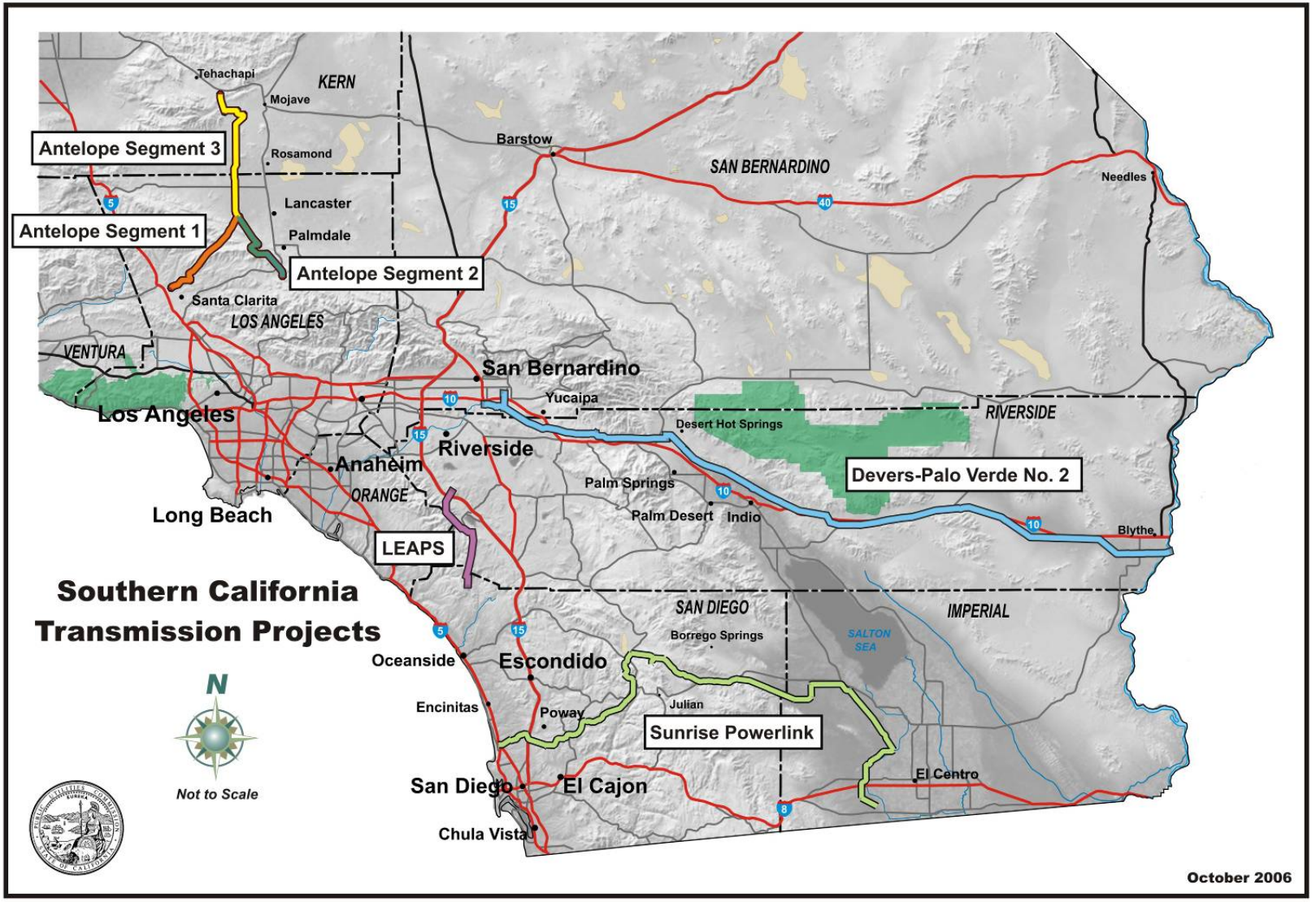
Dian M. Grueneich
Assigned Commissioner

Charlotte Terkeurst
Assigned Administrative Law Judge

January 25, 2007



Four Major Transmission Projects In Permitting At the CPUC – DPV2, Two Tehachapi Projects, and Sunrise



SCE's Devers-Palo Verde 2 (A.05-04-015)

- Approximately $3 billion of new transmission to be considered by the CPUC is in the planning or permitting stages.
- DPV2 is the first of 3 large transmission projects that the Commission will vote on in the next 2 ½ months.
  - The other two projects are related to the Tehachapi Renewable Transmission Project
- The vote today is a critical first step in California's efforts to rebuild and reinforce its transmission infrastructure.

SCE's Devers-Palo Verde 2 (A.05-04-015)

- The Decision authorizes SCE to build the DPV2 transmission project, which includes the Devers-Harquahala and Devers-Valley transmission lines.
- The Devers-Harquahala line is a 230 mile 500 kV line mostly paralleling the existing DPV1 line and extending from SCE's Devers substation in North Palm Springs, California to a termination at or near the Harquahala power plant in Southern Arizona near the Palo Verde nuclear facility.
- 102 miles of the Devers-Harquahala line will be located in Arizona; the rest is in California.
- Devers-Valley will be a 41.6 mile 500 kV line between SCE's Devers and Valley substations, which will bring the DPV2 capacity to SCE load centers.
- DPV2 will increase import capacity from Arizona into the LA Basin by 1,200 MW.

SCE's Devers-Palo Verde 2 (A.05-04-015)

- DOE's 2006 National Electric Transmission Congestion Study identifies Southern California as one of two critical congestion areas in the United States.
- DPV2 should address this concern.
- The projected on-line date is December 2009.
- DPV2 was proposed, and is approved, for economic reasons:
  - Provides greater access to less expensive Arizona power
  - Relieves congestion on the transmission system, resulting in ratepayer savings through reduced congestion charges

SCE's Devers-Palo Verde 2 (A.05-04-015)

- SCE, ISO, and DRA performed separate economic evaluations. "All three parties reach similar conclusions that DPV2 would be cost-effective for CAISO ratepayers, with DPV2 likely to provide significant economic benefits in excess of its costs over a wide range of market conditions."
- The Decision sets a cost cap of $545.3 million (2005 dollars).
- The Decision adopts the EIR/EIS environmentally preferred route.

Thank yous

- I’d like to thank ALJ Charlotte Terkeurt, Keith White, and Aaron Johnson for the work that they have done on this case.