HORIZONWEST TRANSMISSION

December 11, 2020

Caroline Thomas Jacobs
Director, Wildfire Safety Division
California Public Utilities Commission
wildfiresafetydivision@cpuc.ca.gov

SUBJECT: Horizon West Transmission, LLC's Change Orders Report Submitted Pursuant to Resolution WSD-002

Dear Director Thomas Jacobs,

Pursuant to Ordering Paragraph 10 of Resolution WSD-002 issued by the California Public Utilities Commission ("Commission") on June 19, 2020, Horizon West Transmission, LLC (U222-E) ("Horizon West" or "HWT") hereby provides its Change Orders Report confirming a previously disclosed change in the schedule for completing certain wildfire risk mitigation measures set forth in Horizon West's 2020 Wildfire Mitigation Plan ("WMP"). Horizon West does not propose to modify any of the mitigation measures in its 2020 WMP and remains on track to complete those measures in the manner described in its 2020 WMP. The only change is a modification to the schedule for completing the underground conversion work that was planned to occur in 2020 and that now is expected to occur in 2021. Horizon West previously notified the Wildfire Safety Division ("WSD") that such a schedule change was likely, as explained in Horizon West's comments on Draft Resolution WSD-009 submitted May 27, 2020 ("Horizon West Comments on Draft Resolution WSD-009"). This Change Orders Report provides an updated schedule for the underground conversion to occur in 2021, as explained below.

BACKGROUND

Horizon West owns and operates the Suncrest Dynamic Reactive Power Support Facility ("Suncrest Facility") located near the town of Alpine in San Diego County, California. The Suncrest Facility is comprised of a static var compensator ("SVC") facility and an approximately one-mile 230 kV transmission line that connects the SVC facility to the Suncrest Substation owned by San Diego Gas and Electric Company ("SDG&E"). Most of the approximately one-mile 230 kV connecting transmission line was installed underground in accordance with the Suncrest Facility's planned design. Only an approximately 115-foot segment of the Horizon West-owned 230 kV transmission line was installed overhead. That short overhead segment interconnects directly with SDG&E's facilities at the Suncrest Substation.

In accordance with Commission Decision 19-05-036 and Resolution WSD-001, Horizon West's 2020 WMP identified wildfire risk reduction measures for the Suncrest Facility, including grid hardening measures to reduce or mitigate risks and enhance resiliency. One of the fire hardening and risk mitigation measures in Horizon West's 2020 WMP provides for Horizon West to convert the 115-foot overhead transmission line segment at the Suncrest Facility to underground.[1] Horizon West's wildfire

[1] Horizon West 2020 WMP at 39, 57.

risk assessment determined that converting the overhead segment to underground would mitigate the risk of ignitions and protect Horizon West's and SDG&E's facilities, which are located in a Tier 3 Extreme Fire Threat District in San Diego County.[2] The underground conversion is designed to increase resiliency and minimize risk year round but especially during high fire hazard conditions. Horizon West planned to complete the underground conversion in 2020, as reflected in its 2020 WMP.[3] The WSD approved Horizon West's 2020 WMP and the Commission ratified the WSD's approval in Resolution WSD-009.

THERE HAS BEEN A CHANGE IN THE DEPLOYMENT TIMING OF THE UNDERGROUND CONVERSION

In its comments on Draft Resolution WSD-009, Horizon West explained that there likely would be a delay in completing the underground conversion before the 2020 fire season.[4] The WSD's Action Statement on Horizon West's 2020 WMP recognized this as follows:

> In comments submitted on May 27, 2020, HWT states that there is a delay in underground conversion of the 115-foot segment of line that interconnects the Suncrest Substation to San Diego Gas & Electric's (SDG&E) facilities. HWT's WMP included an underground conversion of this line segment as a key aspect of reducing its wildfire ignition risk. HWT states that undergrounding the line requires modification of an existing construction easement between HWT and SDG&E, originally approved via Advice Letter 3405-E on August 19, 2019. HWT indicates that SDG&E has not yet filed for modification of the construction easement, resulting in a delay to the undergrounding project. The WSD acknowledges that this delay necessarily results in a delay in HWT's ability to implement this component of its WMP.[5]

The underground conversion is now scheduled to occur in 2021. Horizon West has worked diligently to complete all steps necessary to accomplish the underground conversion as soon as possible and to implement this mitigation measure as soon as possible. On September 28, 2020, the Director of the Commission's Energy Division accepted Horizon West's Notice of Construction filed as Advice Letter 5-E to implement the underground conversion. The California Independent System Operator Corporation ("CAISO") approved an outage at Horizon West's Suncrest Facility to begin in the second quarter of 2021. The underground conversion must be completed in that window. To meet

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2 This extreme fire risk is not theoretical. On Saturday, September 5, 2020, the Valley Fire started Southeast of Alpine, a few miles from the Suncrest Facility. As of September 9, 2020, the Valley Fire had rapidly spread to over 17,565 acres. The Horizon West team closely monitored the fire 24/7 and coordinated with SDG&E on the appropriate response if the wildfire approached the Suncrest Facility. Given these wildfire conditions in California and in San Diego County, there is even more urgency to underground the line at Horizon West's Suncrest Facility to further reduce wildfire risk.

3 Horizon West 2020 WMP at 39, 56, 57.

4 Horizon West Comments on Draft Resolution WSD-009 at 1-2, 4-7.

5 Wildfire Safety Division Action Statement on Horizon West Transmission's 2020 Wildfire Mitigation Plan dated June 10, 2020 at 4, footnote 4.

this schedule, the construction team must start work in the easement areas not later than March 1, 2021.

The remaining outstanding item is for SDG&E to convey the necessary easement rights to Horizon West. As explained in the Horizon West Comments on Draft Resolution WSD-009, Horizon West's approximately one-mile 230 kV connecting transmission line, including the short overhead segment that will be converted to underground, was built on SDG&E's land pursuant to an easement agreement between SDG&E and Horizon West that was executed on August 26, 2019 and recorded on October 24, 2019 ("Easement Agreement"). Construction occurred under a temporary construction easement that was executed as of August 27, 2019 and recorded on October 24, 2019 ("Construction Easement Agreement"). SDG&E filed Advice Letter 3405-E on July 19, 2019 requesting Commission approval under Public Utilities Code Section 851 ("Section 851") and General Order 173 ("GO 173") to grant Horizon West the easements conveyed in the Easement Agreement and Construction Easement Agreement. The Commission's Deputy Executive Director for Energy and Climate Policy/Director, Energy Division sent a letter to SDG&E confirming that Advice Letter 3405-E was effective as of August 19, 2019.[6]

The converted underground transmission line segment will be built on the same legal parcel as the existing overhead transmission line segment. Converting the overhead transmission line segment to underground requires only minor adjustments to the easement boundaries specified in the Easement Agreement. To obtain agreement for those adjustments, Horizon West initiated discussions with SDG&E in late 2019. Those discussions continued throughout 2020 and are ongoing. Rather than a simple amendment to the existing Easement Agreement, SDG&E has required Horizon West to execute a new Easement Agreement containing material modifications to the terms and conditions currently in effect, including some provisions that will add burdens and increase costs for Horizon West. This process has taken much longer than Horizon West anticipated, but the parties have reached agreement on final versions of the Easement Agreement and associated temporary construction easement. SDG&E has stated that it will seek Commission approval of the new Easement Agreement and temporary construction easement pursuant to Section 851 and GO 173. Horizon West has asked SDG&E to submit that filing as soon as possible, and no later than December 31, 2020. Maintaining this filing date will be critical to avoid any additional delays because, as stated above, Horizon West needs to begin work in the easement areas not later than March 1, 2021 to ensure that the work can be completed during the CAISO-approved outage window.

As stated above, Horizon West does not propose to modify any of the mitigation measures in its 2020 WMP and remains on track to complete those measures in the manner described therein. The only change is "change in deployment timing" of the underground conversion, specifically a modification to the schedule for completing the underground conversion work from 2020 to 2021. The information required on pages 33-34 of Resolution WSD-002 is provided below:

[6] Horizon West Comments on Draft Resolution WSD-009 at 5.

Resolution WSD-002 Requirement:	Response:
i. The proposed change: a. The initiative being altered with reference to where in the WMP the initiative is discussed	The underground conversion work is discussed on pages 39, 56, and 57 of the 2020 WMP. The proposed change is a change in deployment timing from 2020 to 2021. The work was proposed to be done in 2020 and instead is now planned to occur in 2021.
b. The planned budget of that initiative, including: i. Planned spend in the 2020 WMP of the initiative being altered ii. Of the planned spend identified in i. above, how much has already been spent iii. Planned spend for the remainder of the WMP plan period iv. If spend is being redeployed, how much is being redeployed and to/from which budget	The planned budget for the underground conversion is shifted from 2020 to 2021.
c. The type of change being proposed, reported as one of the following: i. Increase in scale ii. Decrease in scale iii. Change in prioritization iv. Change in deployment timing v. Change in work being done vi. Other change (described)	The type of change is a change in deployment timing from 2020 to 2021. The underground conversion is planned to occur during the CAISO-approved outage window beginning in the second quarter of 2021.
d. A detailed description of the proposed change	The only change is a change in deployment timing from 2020 to 2021. The underground conversion otherwise will be as described in the 2020 WMP.
ii. Justification for the proposed change a. In what way, if any, does the change address or improve: i. Completeness ii. Technical feasibility of the initiative iii. Effectiveness of the initiative iv. Resource use efficiency over portfolio of WMP initiatives	The justification for the proposed change is the additional time required to obtain easement rights for the underground conversion and necessary regulatory agreements as described above and in the Horizon West Comments on Draft Resolution WSD-009. The change does not affect the 2020 WMP's completeness, technical feasibility, effectiveness, or resource use efficiency.

Resolution WSD-002 Requirement:	Response:
iii. Change in expected outcomes from the proposed change a. What outcomes, including quantitative ignition probability and PSPS risk reduction, was the changed initiative expected to achieve in the 2020 WMP? b. What outcomes, including quantitative ignition probability and PSPS risk reduction, will the initiative deliver with the proposed adjustment?	There is no change in the expected outcomes of the underground conversion. The underground conversion will be an effective mitigation for the risk of ignitions at the overhead transmission line segment.

STAKEHOLDER COMMENTS

Resolution WSD-009 provides that stakeholders may comment on Change Order Reports within fifteen days of submission. Horizon West requests that any such comments be served on the following Horizon West representatives:

Alona Sias
Director, Strategy & Business Development
One California Street, Suite 1600
San Francisco, California 94111
Email: alona.sias@nexteraenergy.com

Tracy C. Davis
Senior Attorney
5920 W. William Cannon Dr., Bldg. 2
Austin, Texas 78749
Email: tracy.c.davis@nexteraenergy.com

Horizon West appreciates WSD's consideration of this Change Orders Report.

Sincerely,

/s/ Tracy C. Davis

Tracy C. Davis
Senior Attorney
Horizon West Transmission, LLC

cc: **Via electronic mail only:**
Robert Peterson (Robert.Peterson@cpuc.ca.gov)
Jack Mulligan (Jack.Mulligan@cpuc.ca.gov)
Wildfire Safety Division (wildfiresafetydivision@cpuc.ca.gov)
CALFIREUtilityFireMitigationUnit@fire.ca.gov