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JUN 25 1997

Decision 97-06-092 June 25, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on )  
the Commission's Own Motion to )  
Implement the Biennial Resource )  
Plan Update following the California )  
Energy Commission's Seventh )  
Electricity Report. )

I.89-07-004  
(Filed October 23, 1996)

**ORIGINAL**

OPINION

1. Summary

The Cogeneration Association of California (CAC) moves to withdraw its October 25, 1996, protest to the Short Run Avoided Cost Report of San Diego Gas & Electric Company (SDG&E) for the period October 14 through November 10, 1996. The motion is unopposed. The motion is granted.

2. Background

On October 25, 1996, CAC protested SDG&E's avoided cost posting on grounds that it did not comply with Public Utilities Code § 390(b), added by Assembly Bill (AB) 1890, which provides for immediate implementation of a transition formula for short-run avoided cost energy payments to nonutility power generators in place of the monthly postings based on an index methodology.

On December 9, 1996, the Commission issued Decision (D.) 96-12-028, which replaced the index approach for calculating the noncore gas component of avoided energy costs with an interim formula for calculating short-run avoided cost payments for each utility. CAC states that the interim formula conforms with the criteria set forth in AB 1890.

In compliance with D.96-12-028, SDG&E on January 14, 1997, filed a revised avoided cost posting for the months of October, November, and December 1996.

3. Discussion

CAC states that it has reviewed SDG&E's revised postings and has determined that they are in compliance with D.96-12-028, and hence the requirements of AB 1890. CAC's protest, therefore, is moot, and CAC asks that it be withdrawn.

Findings of Fact

1. CAC on October 25, 1996, protested SDG&E's avoided cost posting for the period October 14 through November 10, 1996.

2. On December 9, 1996, the Commission issued D.96-12-028, which replaced certain elements for computing the avoided cost posting.

3. SDG&E on January 14, 1997, filed a revised posting for the months of October, November, and December 1996.

4. CAC on May 14, 1997, moved to withdraw its October 25, 1996, protest.

Conclusion of Law

CAC's motion to withdraw its protest should be granted.

ORDER

IT IS ORDERED that the motion of the Cogeneration Association of California to withdraw its protest to San Diego Gas & Electric Company's Short Run Avoided Cost Report for the Period October 14 through November 10, 1996, is granted.

This order is effective today.

Dated June 25, 1997, at San Francisco, California.

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
Commissioners