

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 10-05-006
(Filed May 6, 2010)

**COMMENTS OF L. JAN REID ON THE
PRELIMINARY SCOPING MEMO AND SCHEDULE**

I. Introduction

Pursuant to the Order Instituting Rulemaking (OIR) issued on May 13, 2010 and the May 28, 2010 Ruling (Ruling) issued by Administrative Law Judge (ALJ) Victoria Kolakowski, I submit these comments on the preliminary scoping memo and schedule for the Long Term Procurement Plan (LTPP) proceeding. Comments are due on June 4, 2010. I will file and serve this pleading on the due date.

II. Preliminary Scoping Memo

Other than GHG-related risk management (See OIR, p. 16, Item 7), the OIR fails to include risk management in the scope of this proceeding. Risk management must not be limited to GHG procurement. Instead, the Investor Owned Utilities (IOUs) must effectively manage risks associated with all types of IOU procurement. Risk management is an important issue for California rate-payers and should be part of the scope of this proceeding for the following reasons:

1. Risk management has been part of the short-term and long-term planning process since the IOUs re-entered the procurement business in 2002.
2. A properly executed, effective risk management plan can serve to reduce rate volatility.

3. The dynamics of both energy markets and risk management practices are constantly evolving. Therefore, the IOUs' risk management plans must also change over time.

Therefore, I recommend that the Commission order the IOUs to include a detailed risk management plan as part of both their Track I and Track II filings.

III. Schedule Proposed in the Ruling

The Ruling essentially modified the schedule that was proposed in the OIR, by replacing an approximate schedule with a firm schedule. For example, the OIR set a deadline of June, 2010 for "Comments / Reply and Party Alternative Proposals on DR, renewables, and other non-renewables assumptions." (OIR, p. 21) In contrast, the Ruling set a firm deadline of June 11, 2010 for "Proposals / Alternative Proposals on Resource Planning Assumptions - Part 1 and Procurement Planning Assumptions." (Ruling, p. 16.)

I believe that the schedule proposed in the Ruling does not provide intervenors with adequate time to file and serve detailed comments on planning standards and other matters. Additionally, the proposed schedule places an unfair burden on intervenors that do not have offices in the San Francisco area. For example, the Ruling sets workshop dates of June 11, June 14, and June 18. This will serve to increase the travel time and expense of most intervenors since intervenors will have to make three separate trips to the CPUC in order to attend the workshops.

I note that the last LTPP proceeding (R.06-02-013) scheduled workshops sequentially, thereby reducing the travel time and expense for most of the intervenors and respondents.¹ The Commission should continue its previous

¹ In the last LTPP proceeding, workshops were scheduled from May 21, 2007 to May 25, 2007. (See R.06-02-013, Ruling of ALJ Carol Brown, May 2, 2007.)

practice and schedule workshops sequentially in this proceeding. Therefore, I recommend that the three workshops be scheduled from June 21 to June 23.

IV. My Proposed Schedule

I propose the following procedural schedule:

June 14, 2010	Prehearing Conference
June 18, 2010	Proposals / Alternative Proposals on Resource Planning Assumptions - Part 1 and Procurement Planning Assumptions
June 21, 2010	Workshop on Resource Planning Assumptions - Part 1 and Procurement Planning Assumptions; Workshop on Rulebook
June 22, 2010	Workshop on Resource Planning Assumptions - Part 2 (RPS Planning Standards)
June 23, 2010	Workshop on Resource Planning Assumptions - Part 3 (Energy Efficiency Assumptions)
July 5, 2010	Comments on Parts 1, 2, and 3
July 12, 2010	Reply Comments on Parts 1, 2, and 3

My proposed schedule allows adequate time for analysis and preparation of comments, while extending the schedule contained in the Ruling by only three days.

V. Conclusion

For the reasons given herein, the Commission should adopt the schedule and scope that I have proposed. The Commission should allow a reasonable time for comments and reply comments, followed by evidentiary hearings on contested issues. If hearings are held, I will participate fully in the hearings.

* * *

Dated June 4, 2010, at Santa Cruz, California.

/s/

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com

VERIFICATION

I, L. Jan Reid, make this verification on my behalf. The statements in the foregoing document are true to the best of my knowledge, except for those matters that are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Dated June 4, 2010, at Santa Cruz, California.

/s/

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com

CERTIFICATE OF SERVICE

I certify that I have this day by electronic mail served a true copy of the original attached "Comments of L. Jan Reid on the Preliminary Scoping Memo and Schedule" on all parties of record in this proceeding or their attorneys of record. I will serve a paper copy of the pleading on Commissioner Michael Peevey, and on Administrative Law Judge Victoria Kolakowski.

Dated June 4, 2010, at Santa Cruz, California.

/s/ _____
L. Jan Reid