

From: Prosper, Terrie D.
Sent: 12/16/2010 4:13:08 PM
To: Prosper, Terrie D. (terrie.prosper@cpuc.ca.gov)
Cc:
Bcc:
Subject: CPUC Press Releases Issued Today

The
California Public Utilities Commission issued the following press releases
today:

* CPUC
Approves Energy Efficiency Incentives For California's
Utilities

* CPUC
Approves California Renewables Program Renewable Auction
Mechanism

* CPUC
Approves PG&E Request For Oakley Power Plant Contract

* CPUC
Adopts Construction Project Procedures For Telecommunications
Carriers

* CPUC
Adopts Comprehensive Reform of Combined Heat and Power Facility
Regulation

* CPUC
Grants SDG&E Recovery of Insurance Costs

* CPUC
Denies Petition of City and County of San Francisco to Suspend PG&E Smart
Meter Installations

* CPUC
Implements Utility-Scale Solar Photovoltaic Program for
PG&E

* CPUC
Creates Small Business Advisory Council

These
press releases are below.

FOR IMMEDIATE RELEASE

**PRESS
RELEASE**

Contact:
Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

Docket #:
R09-01-019

**CPUC APPROVES ENERGY
EFFICIENCY
INCENTIVES FOR CALIFORNIA'S
UTILITIES**

SAN
FRANCISCO, December 16, 2010 – The California
Public Utilities Commission (CPUC) today approved financial incentives for the
state's investor-owned utilities (IOUs) for their work in contributing to the
success of the state's energy efficiency goals for
2006-2008.

The CPUC today granted incentive payments under its Risk/Reward Incentive Mechanism of \$29.1 million to Pacific Gas and Electric Company, \$24.1 million to Southern California Edison, \$5.1 million to San Diego Gas and Electric Company, and \$9.9 million to Southern California Gas Company.

In October 2007, the CPUC established the Risk/Reward Incentive Mechanism to encourage the IOUs to invest in energy efficiency. The mechanism enables the utilities to earn rewards on energy efficiency investments in amounts comparable to what they would otherwise earn on the supply side. The CPUC established a minimum performance standard for the utilities, under which incentive earnings begin to accrue only if the utility energy efficiency portfolio achieves at least 85 percent of the CPUC's goals. The CPUC determined today that all of the IOUs savings performance exceeded 85 percent of the adopted goals.

CPUC President Michael R. Peevey commented, "The additional incentive rewards provided to the utilities today recognizes their efforts and achievements in promoting energy efficiency across California. Such incentives encourage the utilities to embrace energy efficiency as a core part of their business model by aligning the utility profit motive with the broad deployment of energy efficiency measures."

The proposal voted on is available at http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/128254.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

**PRESS
RELEASE**

Contact:
Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #: R.08-08-009

**CPUC
APPROVES CALIFORNIA RENEWABLES PROGRAM
RENEWABLE
AUCTION MECHANISM**

SAN FRANCISCO, December 16, 2010 – The California Public Utilities Commission (CPUC) today adopted a new renewable energy portfolio tool called a Renewable Auction Mechanism (RAM). Under this program the utilities will procure a minimum of 1,000 megawatts (MW) of capacity from eligible renewable projects up to 20 MW in size.

The 1,000 megawatts are allocated proportionally to Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric Company. Auctions will be held twice a year over a two year period with four solicitations of 250 MW each. Individual prices will be determined by each seller submitting a non-negotiable bid to the utilities, who select purchases in the order of least-costly. In addition, to promote expeditious review and streamlined contracting, the program relies on standardized contracts and features a variety of project viability criteria and aggressive timelines for project development. These elements ensure that projects and

project developers that participate in this program are relatively advanced and should help reduce the risk of contract failure.

CPUC

President Michael R. Peevey commented, “By creating this renewable energy auction, California’s utilities can take advantage of a market segment that has generally gone overlooked but has the potential to make significant contributions to our renewable energy goals.”

Previously, renewable energy sales by eligible sellers were limited to 1.5 MW per sale with a cap of 250 MW. The Renewables Portfolio Standard requires investor-owned utilities to increase procurement from eligible renewable energy resources by at least 1 percent of their retail sales annually, until they reach 20 percent by 2010.

The proposal

voted on is available at

http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/128297.pdf.

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For more information on the CPUC, please visit
www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

**PRESS
RELEASE**

Contact:

Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

Docket #: A.09-09-021

**CPUC
APPROVES PG&E REQUEST FOR
OAKLEY POWER PLANT
CONTRACT**

SAN

FRANCISCO, December 16, 2010 – The California Public Utilities Commission (CPUC)

today approved Pacific Gas and Electric Company's (PG&E) purchase and sale agreement with Contra Costa Generating Station LLC for the Oakley Project, a new state-of-the-art natural gas-fired combined cycle facility that is expected to produce 586 megawatts of generation.

Today's

decision approves the project due to the extension of the project delivery date by two years, from June 2014 to June 2016.

The CPUC determined that the Oakley project will help mitigate the risk of any capacity shortfall in 2016.

In addition the project utilizes the latest technology from General Electric and is expected to be the most efficient power plant of its kind in California,

helping to reduce gas usage and decrease greenhouse gas emissions by displacing generation from older, less efficient resources.

PG&E

may not take ownership of the plant under the purchase and sale agreement prior to January 1, 2016; or, alternatively, PG&E may take ownership only on the condition that its shareholders absorb the associated revenue requirements from the date of purchase until January 1, 2016.

Commissioner John A. Bohn, author of today's decision, commented, "This is a win-win for all. It approves the construction of a modern highly efficient power plant, provides clean and adequate power for the future, and increases PG&E's ability to secure financing for this project, which might not have been available beyond 2010."

Added

CPUC President Michael R. Peevey, "Oakley, with a very low heat rate, is highly efficient and will enable California to meet increasingly stringent greenhouse gas reduction goals. It will also allow for the retirement of peaking plants with high heat rates."

The proposal

voted on today is available at

http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/128282.pdf.

For more information on the CPUC, please visit

www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

Docket #:
R.06-10-005

**CPUC
ADOPTS CONSTRUCTION PROJECT PROCEDURES
FOR TELECOMMUNICATIONS
CARRIERS**

SAN

FRANCISCO,

Dec. 16, 2010 - The California Public Utilities Commission (CPUC) today adopted procedures for reviewing proposed construction projects by California telephone companies in order to meet environmental laws.

The new General Order (GO) 170 implements the CPUC's responsibilities under the California Environmental Quality Act (CEQA) to review possible environmental impacts of construction projects consisting of any new telephone or telegraph line; or the repair, replacement, modification, alteration, or addition to an existing telephone or telegraph line in the State. GO 170 contains a comprehensive, streamlined CEQA process that will facilitate deployment of advanced communications policy by applying the same rules to all telephone

companies.

“General Order 170 is critical to promoting the development of advanced telecommunications infrastructure, particularly broadband infrastructure, by putting all carriers under our jurisdiction on a level playing field,” said Commissioner John A. Bohn. “The streamlined process we adopted will lessen the burden on carriers while ensuring that the CPUC’s practices comply with the current requirements and policies of CEQA.”

The rules in GO 170 include:

- Ensuring that all telephone companies subject to the CPUC’s jurisdiction will now be governed by the same set of rules. Wireless cellsites will continue to be governed by GO 159-A.
- Clarifying that the CPUC has the authority to issue discretionary permits on telecommunications projects because telecommunications infrastructure is a matter of statewide concern.
- Delineating a series of enumerated activities that, based on the CPUC’s expertise in the telecommunications industry, do not rise to the level of a project and therefore, do not need to undergo CEQA review.
- Creating a streamlined process for other categorical exemptions utilizing the CPUC’s existing Tier 2 Advice Letter process under GO 96-B. Other projects will go through the already-established CPUC process for full CEQA review.
- Adopting several enforcement provisions to ensure that adequate measures will be taken should there be any violations of GO 170.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

Docket #:
A.08-11-001

**CPUC
ADOPTS COMPREHENSIVE REFORM OF
COMBINED HEAT AND POWER FACILITY
REGULATION**

SAN

FRANCISCO,

December 16, 2010 - The California Public Utilities Commission (CPUC) today adopted comprehensive reforms to its regulation of the state's combined heat and power (CHP) facilities in order to bolster the CPUC's efforts to secure a clean and efficient energy future.

CHP facilities are a critically important part of California's energy mix. They allow the capture of what otherwise would be wasted heat by industrial facilities, universities,

hospitals, and other facilities by using that heat to create electricity. There are currently more than 5,000 megawatts of CHP generating capacity under contract to the three major utilities in California, and another 1,000 megawatts interconnected with the system under other arrangements.

The CPUC's decision is the result of a settlement by the state's investor-owned utilities, CHP interests, and consumer advocates.

"Today's decision ensures that CHP remains a viable resource that improves the reliability and efficiency of California's power supply," said CPUC President Michael R. Peevey. "The settlement provides an agreed-upon series of contracts to facilitate the transition to a new state program for procurement of CHP resources by the utilities."

The settlement sets firm goals for the utilities, and requires a series of requests-for-proposals in which CHP owners and developers will have the opportunity to bid for contracts with the utilities. The program will encourage participation both by existing CHP resources as well as new and repowered CHP facilities.

The proposal voted on is available at http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/128180.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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**FOR
IMMEDIATE RELEASE**

**PRESS
RELEASE**

Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
#: A.09-08-019

Docket

**CPUC
GRANTS SDG&E RECOVERY OF INSURANCE COSTS**

San Francisco, CA – December 16, 2010 - The California Public Utilities Commission (CPUC) today approved San Diego Gas and Electric Company's (SDG&E) request for "Z-factor treatment" to recover the cost of unforeseen, uncontrollable increased liability insurance premiums and deductible expenses amounting to \$28,884,000 in 2009-2010 related to the 2007 wildfires in San Diego County.

"Z-factor treatment" is a rate-making adjustment mechanism that allows a utility to recover extraordinary expenses resulting from unexpected and uncontrollable events. On August 31, 2009, SDG&E asked for CPUC authorization to increase its electric and natural gas revenue requirement to reflect unforeseen liability insurance premium and deductible expense, and to create a new process for future expenses until its next General Rate Case.

Today's decision by Commissioner Timothy Alan Simon grants the Z-factor treatment but limits treatment of the subsequent 2010-2012 years to the filing of Tier-3 Advice Letters to the CPUC.

Said Commissioner Simon, "The combination of the financial meltdown, extreme dry weather conditions during the 2007 wildfire season, San Diego County's overall lack of fire preparedness, and the 1,000 percent increase in SDG&E's insurance liability cost were events all exogenous to SDG&E and out of their control. I am a strong believer that in order for infrastructure development to successfully progress and to meet adequate safety standards, we must have reasonably cost-efficient ways to insure such development is in place."

The proposal voted on is available at http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/128328.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

**PRESS
RELEASE**

Contact:
Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #: A.07-12-009

**CPUC
DENIES PETITION OF CITY AND COUNTY OF SAN
FRANCISCO TO SUSPEND PG&E SMART METER
INSTALLATIONS**

SAN
FRANCISCO, December 16, 2010 – The California
Public Utilities Commission (CPUC) today denied the request of the City and
County of
San Francisco to suspend
Pacific Gas and Electric Company's (PG&E) Smart Meter installation
program.

The
petition, asking to modify a CPUC decision that implemented the Smart Meter
program, was denied because it failed to present new facts that justify the
request for a suspension. In
particular, there are no new facts that show that Smart Meters are less accurate
than current meters or that PG&E's billing system is now generating fewer
accurate bills.

Today's
decision says that should other issues arise, there are ongoing CPUC proceedings
in which those issues may be addressed.

“There are no new facts that justify the request by the City and County of San Francisco to warrant the suspension of a program that gives consumers greater control over their energy use and offers many other benefits,” said CPUC President Michael R. Peevey. “In fact, we are not the only commission look to Smart Meters to provide customer benefits. The San Francisco Public Utilities Commission, for example, is starting to use Smart Meters to help consumers save money on their water bills.”

The proposal voted on is available at http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/128197.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
Docket #: Res
E-4368

**CPUC
IMPLEMENTS UTILITY-SCALE
SOLAR PHOTOVOLTAIC PROGRAM FOR
PG&E**

SAN

FRANCISCO, December 16, 2010 - The California Public Utilities Commission (CPUC)

today

moved to implement Pacific Gas and Electric Company's (PG&E) Solar Photovoltaic (PV) Program, which the CPUC adopted in April 2010.

PG&E's five-year solar PV program will facilitate the development of 500 megawatts (MW) of solar PV facilities in the range of one to 20 MW in PG&E's service area.

Under the program, PG&E is authorized to hold competitive solicitations for approximately 50 MW per year and to execute contracts with independent power producers for 250 MW during the course of the program.

Through a Resolution approved today, the CPUC adopted program eligibility criteria, competitive solicitation protocols, standard contract terms and conditions, and annual reporting requirements. The CPUC also directed PG&E to

provide a preferred locations solar PV map that will help developers identify locations that can accommodate new grid interconnections into the existing infrastructure. The first

solicitation is expected to occur in January 2011. Information about PG&E's solar PV program is available at

www.cpuc.ca.gov/PUC/energy/Renewables/hot/Utility+PV+Programs.htm.

The Resolution voted on is available here:

http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_RESOLUTION/128176.htm.

For the latest information about the utilities' progress towards the state's Renewable Portfolio Standard goal, please see the CPUC's Quarterly Report to the Legislature: <http://www.cpuc.ca.gov/PUC/energy/Renewables/index.htm>

For more information on the CPUC, please visit www.cpuc.ca.gov.

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FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

CPUC CREATES SMALL BUSINESS ADVISORY COUNCIL

SAN

FRANCISCO,

December 16, 2010 - The California Public Utilities Commission (CPUC) today approved the creation of a Small Business Advisory Council in order to provide a forum for the CPUC, the utilities, and members of the small business community to discuss CPUC policy and issues that affect small businesses.

The CPUC approved the creation of the Small Business Advisory Council for a three-year pilot program to ensure accountability and effectiveness. It will consist of nine representatives from the CPUC, small businesses, the California Small Business Association, the California Chamber of Commerce, and the state's utilities. It will meet quarterly, rotating between northern, central, and southern California.

"For too long the CPUC has not benefitted from the small business perspective," said Commissioner John A. Bohn. "The Small Business Advisory Council will provide a critical role in giving the small business community a voice in shaping CPUC policies."

Added CPUC President Michael R. Peevey, "This is a great thing for the CPUC and for small businesses. We want to hear from all voices at the CPUC, and today's action ensures that we will hear from small businesses and also have a forum to convey to them information about our policies and programs."

"Small businesses are the backbone of our economy," said CPUC Commissioner Nancy E. Ryan. "Creating this Advisory Council is long overdue and I plan to be closely involved in its efforts."

For more information on the CPUC, please visit www.cpuc.ca.gov.

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Terrie Prosper
Director, News & Public
Information Office
California Public Utilities
Commission
(415)
703-2160
tdp@cpuc.ca.gov

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