

From: Cherry, Brian K  
Sent: 7/26/2011 4:33:14 PM  
To: pac@cpuc.ca.gov (pac@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: FW: RA Summary of PG&E's PHC Statement in OII. 11-06-011

---

**From:** [Redacted]  
**Sent:** Tuesday, July 26, 2011 4:12 PM  
**To:** Cherry, Brian K; Wan, Fong; Kuga, Roy M; Horner, Trina; Reg Rel Resource Adequacy Core [Redacted]  
**Subject:** RA Summary of PG&E's PHC Statement in OII. 11-06-011

ALL:

**Purpose:** Informational Summary

**Summary:**

On Tuesday, July 26, 2011, PG&E filed a Prehearing Conference (PHC) Statement to address issues identified in the Resource Adequacy (RA) Investigation of System RA Requirements in OII.11-06-011. **A PHC is scheduled for 10:00 a.m. on Tuesday, August 2, 2011**, to discuss the following issues: 1) the operations and practices of PG&E, on whether it violated Commission RA program rules, regulations, or orders in failing to timely meet its qualifying system capacity obligations for March, April and July 2010; and 2) response to allegations and show cause why it should not be sanctioned for violating Commission rules by not securing the required energy resources for March, April and July 2010 at the time the filings were submitted in violation of RA rules.

In its PHC statement, PG&E proposes that the scope of the PHC focus on 1) whether PG&E violated Commission RA program rules, regulations, or orders by failing to timely meet its qualifying system capacity obligations for March, April and July 2010, and 2) whether PG&E should be sanctioned for violating Commission rules by not securing the required energy resources for March, April and July 2010 at the time the filings were submitted in violation of RA rules adopted pursuant to Public Utilities Code section 380 and D.05-10-042 and D.06-06-064. Additionally, PG&E states the following:

- It is too early to know if hearings will be needed.
- PG&E had under its control sufficient resources to meet its RA obligations prior to the monthly RA filing dates for March, April, and July 2010, and used some of these resources to cure reporting errors that the Energy Division (ED) identified in

- PG&E's initial March, April, and July 2010 monthly filings.
- Neither PG&E nor the CAISO purchased additional RA as a result of the reporting errors for these months.
  - Corrections to the original filings were made within 10 days of notification that the filing contained possible reporting errors, thus demonstrating that PG&E was in compliance with the Commission RA program.
  - PG&E proposes that, if the Commission's Consumer Protection and Safety Division (CPSD) is amenable to exploring alternatives to litigation, that PG&E and CPSD be given a period of two months to explore those alternatives, and that a second prehearing conference be set for early October to consider whether progress has been or is being made, or alternatively to set a schedule for resolution via a litigation path.
  - If the Commission sets a litigation path, PG&E requests to prepare its responsive testimony at least one month after CPSD presents its testimony.

**Link to PHC Statement:**

<http://www.regrel/Docs/SystemResourceAdequacyRequirements/Pleadings/PGE/2>

Thank you,

Redacted

Redacted

***Pacific Gas and Electric Company  
Energy Proceedings, Integrated Generation Portfolio***

Redacted

Redacted

Redacted