

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue  
Implementation and Administration of California  
Renewables Portfolio Standard Program

Rulemaking 11-05-005  
(Filed May 5, 2011)

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
COMMENT ON PROPOSED DECISION  
SETTING PROCUREMENT QUANTITY REQUIREMENTS**

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Dated: November 17, 2011

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Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Southern California Public Power Authority (“SCPPA”)<sup>1</sup> respectfully comments on the October 28, 2011 Proposed Decision of Administrative Law Judge Anne E. Simon in the captioned proceeding (“Proposed Decision”). SCPPA submits this comment to support and augment the comment by the California Municipal Utilities Association on the Proposed Decision. One member of SCPPA, the Los Angeles Department of Water and Power (“LADWP”), is filing separate comments on the Proposed Decision and has not participated in the preparation of this comment.

The Proposed Decision makes two critical legal errors in interpreting Senate Bill (“SB”) 2 (1X) (Simitian). First, the Proposed Decision incorrectly interprets SB 2 (1X) as setting targets for the final calendar years of compliance periods two (2014-2016) and three (2017-2020). Second, the Proposed Decision incorrectly interprets the statute as using “intervening years” to mean the years prior to the final year in the multi-year compliance periods two and three. As a result of making these two legal errors, the Proposed Decision adopts targets of 25 percent and

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<sup>1</sup> SCPPA is a joint powers authority. The members are Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles Department of Water and Power, Imperial Irrigation District, Pasadena, Riverside, and Vernon. This comment is sponsored by Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, the Imperial Irrigation District, Pasadena, Riverside, and Vernon.

33 percent for the entirety of the final calendar years of compliance periods two and three respectively. Imposing those year-long targets reduces the flexibility that retail sellers would have to comply with SB 2 (1X) by the plain meaning of the terms in the statute.

The reduction in flexibility should be weighed with other factors in determining whether a linear rather than contoured trend line should be adopted to establish the targets for each year of compliance periods two and three that would be used in calculating the procurement quantity requirement for those compliance periods.<sup>2</sup> The Proposed Decision should be revised to reject a linear trend line for setting annual targets for compliance periods two and three and to adopt, instead, the contoured trend line recommended by Pacific Gas & Electric Company, Southern California Edison Company (“SCE”), and San Diego Gas & Electric Company (jointly, the “Large Utilities”).

**I. THE PROPOSED DECISION ERRS IN INTERPRETING SB 2 (1X) AS SETTING STATUTORY PROCUREMENT TARGETS FOR THE FINAL YEARS OF COMPLIANCE PERIODS TWO AND THREE.**

The Proposed Decision repeatedly interprets SB 2 (1X) as establishing “statutory procurement targets for the final years for compliance periods...”<sup>3</sup> In fact, however, there is no provision in SB 2 (1X) setting targets for the final years of the multi-year compliance periods, particularly compliance periods two and three. Instead, Public Utilities Code (“PUC”) section 399.15(b)(2)(B) as promulgated in SB 2 (1X) provides for a target of 25 percent of retail sales to

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<sup>2</sup> The Proposed Decision (at 9) explains the distinction between a “target” and a “procurement quantity requirement” as follows:

In an effort to preserve the statutory distinction between the compliance period requirements and the demonstration of progress in intervening years of a compliance period, the total quantity of RPS-eligible procurement required for a compliance period will be referred to as the “procurement quantity requirement;” the procurement associated with reasonable progress in intervening years, or with any particular year, will be referred to as a “target.”

be achieved by the day, December 31, 2016, and 33 percent of retail sales to be achieved by the day, December 31, 2020. Section 399.15(b)(2)(B) states that the Commission shall require retail sellers to procure quantities during compliance periods two and three to “reflect reasonable progress in each of the intervening years sufficient to assure the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.” Emphasis added. Nothing in section 399.15(b)(2)(B) or elsewhere in SB 2 (1X) establishes procurement targets for either the calendar year 2016 or the calendar year 2020.

The Proposed Decision recognizes that the “California Supreme Court has enunciated clear standards for courts or agencies construing a statute.”<sup>4</sup> Specifically, the Proposed Decision recognizes that the Commission must “look to the statute’s words and give them their usual and ordinary meaning. The statute’s plain meaning controls the court’s interpretation unless its words are ambiguous.”<sup>5</sup>

The plain meaning of the words in section 399.15(b)(2)(B) sets a target of 25 percent of retail sales to be achieved by December 31, 2016, not the entire year 2016. Likewise, the plain meaning of the words in section 399.15(b)(2)(B) sets a target of 33 percent of retail sales to be achieved by December 31, 2016, not the entire year 2020. The Proposed Decision’s interpretation of section 399.15(b)(2)(B) as setting targets of 25 percent and 33 percent for the entire years 2016 and 2020 respectively conflicts with the plain meaning of the words that are

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<sup>3</sup> Proposed Decision at 9. *See also* Proposed Decision at 11 (“statutory language that identifies targets for ‘intervening years’ only for the two later compliance periods...”; 15 (“end-year target set by statute...”); 17 (“specific quantitative targets at 25%; 16 at 33% in 2020....”)

<sup>4</sup> Proposed Decision at 6.

<sup>5</sup> Proposed Decision at 7 quoting *Imperial Merchant Services, Inc. v. Hunt* (2009) 47 Cal.4<sup>th</sup> 381, 387-388. *See also*, e.g., *People v. Canty* (2004) 32 Cal.4<sup>th</sup> 1266; *Lungren v. Deukmejian* (1988) 45 Cal.3d 727, 735.

used in the section. Consequently, this interpretation violates the principles of statutory construction that the Proposed Decision itself recognizes as controlling.

The Proposed Decision states:

Although the courts remain the ultimate arbiters of statutory meaning, they accord deference to the Commission's reasonable interpretation of statutes.<sup>6</sup>

While it is true that the courts “accord deference to the Commission’s reasonable interpretation of statutes,” *the Commission’s interpretation must be reasonable* to be accorded deference. The Proposed Decision’s interpretation of section 399.15(b)(2)(B) is not reasonable. When the statute by its plain meaning provides for a target of “25 percent of retail sales by December 31, 2016” and “33 percent of retail sales by December 31, 2020,” it is *unreasonable* for the Commission to interpret the statute as providing for targets of 25 percent of retail sales for the calendar year 2016 and 33 percent of retail sales for the calendar year 2020. The courts would not accord deference to such an unreasonable interpretation of the statute.

Accordingly, the Proposed Decision should be revised so that the various passages that interpret SB 2 (1X) as providing for “statutory procurement targets for the final years in compliance periods”<sup>7</sup> are corrected to recognize that SB 2 (1X) provides for targets of 25 percent and 33 percent to be achieved by the days, December 31, 2016, and December 31, 2020, rather than by the years 2016 and 2020.

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<sup>6</sup> Proposed Decision at 7 citing *Greyhound Lines, Inc. v. Public Utilities Commission* (1968) 68 Cal.2d 406, 410; *Lockyer v. City and County of San Francisco* (2004) 33 Cal.4<sup>th</sup> 1055, 1090-1091.

<sup>7</sup> Proposed Decision at 9.

## **II. THE PROPOSED DECISION’S ERRONEOUS INTERPRETATION OF SB 2 (1X) AS PROVIDING FOR “STATUTORY PROCUREMENT TARGETS” FOR THE CALENDAR YEARS 2016 AND 2020 LEADS TO AN ERRONEOUS INTERPRETATION OF THE PHRASE “INTERVENING YEARS.”**

The Proposed Decision’s erroneous interpretation of SB 2 (1X) as providing for “statutory procurement targets” for the calendar years 2016 and 2020 leads to an erroneous interpretation of the phrase, “intervening years.” The Proposed Decision claims that the phrase “intervening years” as used in SB 2 (1X) means “years that are not the final year of a compliance period.”<sup>8</sup> Footnote 23 of the Proposed Decision states: “For the second compliance period covering 2014-2016, these years would be 2014 and 2015; for the third compliance period covering 2017-1020 [sic], they would be 2017, 2018, and 2019.”<sup>9</sup>

The Proposed Decision’s interpretation of the meaning of “intervening years” is unreasonable. The unreasonableness of the Proposed Decision’s interpretation is demonstrated by the absurd result that would be reached if it were applied to section 399.15(b)(2)(C). That section provides: “Retail sellers shall be obligated to procure no less than the quantities associated with all intervening years by the end of the compliance period.”

If the phrase “intervening years” meant only the first two years, 2014 and 2015, of the second compliance period and the first three years, 2017, 2018, and 2019, of the third compliance period, then section 399.15(b)(2)(C) would have to be read as follows: “Retail sellers shall be obligated to procure no less than the quantities associated with 2014 and 2015 by the end of compliance period two and no less than the quantities associated with 2017, 2018, and 2019 by the end of compliance period three.”

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<sup>8</sup> Proposed Decision at 15.

<sup>9</sup> *Ibid.*

However, section 399.15(b)(1) requires retail sellers to procure a minimum quantity that covers all of the years in compliance periods two and three including the final years of the second and third compliance periods:

(1) Each retail seller shall procure a minimum quantity of eligible renewable energy resources for each of the following compliance periods:

- (A) January 1, 2011 to December 31, 2013, inclusive.
- (B) January 1, 2014, to December 31, 2016, inclusive.
- (C) January 1, 2017, to December 31, 2020, inclusive.

Interpreting section 399.15(b)(2)(C) to require retail sellers to acquire quantities associated with only the first two years of compliance period two or the first three years of compliance period three would conflict directly with the requirement in section 399.15(b)(1) that each retail seller “shall procure a minimum quantity of eligible renewable energy resources” for “January 1, 2014, to December 31, 2016, inclusive” and for “January 1, 2017 to December 31, 2020 inclusive.” Interpreting “intervening years” to generate a direct conflict between section 399.15(b)(2)(C) and section 399.15(b)(1) would be patently unreasonable and would conflict with the principles of the statutory construction that the Proposed Decision claims to be following. The conflict can only be avoided by understanding the term “intervening years” to mean all of the years between the end of the immediately preceding compliance period and the end of the current compliance period, December 31, 2016, for compliance period two, or December 31, 2020, for compliance period three.

Interpreting the phrase “intervening years” to mean only the first two years of period two and the first three years of period three would also be inconsistent with the phrasing of section 399.15(b)(2)(B). Section 399.15(b)(2)(B) provides that the quantities to be procured during compliance periods two and three:

...shall reflect reasonable progress in each of the intervening years sufficient to ensure the procurement of electricity products from

eligible renewable resources achieves 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.

If “intervening years” meant only 2014 and 2015 for compliance period two and 2017, 2018, and 2019 for compliance period three, section 399.15(2)(b) would have to be read as requiring that for periods two and three the quantities “shall reflect reasonable progress in [the two years 2014 and 2015 and the three years 2017, 2018, and 2019] to ensure that the procurement of electricity products from eligible renewable resources achieves 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.”

It would be unreasonable to assume that only the quantities procured during the years 2014 and 2015 should ensure 25 percent of retail sales is achieved by December 31, 2016, or that only the quantities procured during the three years 2017, 2018, and 2019 should ensure 33 percent of retail sales is achieved by December 31, 2020. Once again, interpreting “intervening years” to mean only the years before the last year of compliance periods two or three would lead to an unreasonable result, contrary to the principles of statutory construction that the Proposed Decision claims to be following.

Accordingly, the Proposed Decision should be revised to interpret the term “intervening years” to mean all three calendar years in the second compliance period and all four calendar years in the third compliance period.

**III. THE CONSEQUENCE OF MISINTERPRETING SB 2 (1X) IS ADOPTING TARGETS FOR 2016 AND 2020 THAT ARE MORE BURDENSOME THAN REQUIRED BY SB 2 (1X) FOR CALCULATING THE TOTAL COMPLIANCE PERIOD PROCUREMENT QUANTITY REQUIREMENTS FOR COMPLIANCE PERIODS TWO AND THREE.**

The Proposed Decision’s erroneous interpretation of SB 2 (1X) as establishing “statutory procurement targets” for 2016 and 2020 and the erroneous interpretation of “intervening years” as meaning “years that are not the final year of a compliance period” affect the Proposed

Decision's establishment of the procurement quantity requirement for compliance periods two and three. SB 2 (1X), properly interpreted, does *not* require the procurement quantity requirement for compliance periods two and three to be established on the assumption that there are "statutory procurement targets" of 25 percent and 33 percent for the calendar years 2016 and 2020 respectively.

By interpreting SB 2 (1X) as establishing "statutory procurement targets" of 25 percent for the year 2016 and 33 percent for the year 2020, the Proposed Decision expands the end-of-period targets that are actually specified in SB 2 (1X), 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020, to cover the full years of 2016 and 2020 respectively. Procurement targets of 25 percent and 33 percent for the full years 2016 and 2020 are more burdensome on retail sellers and their ratepayers than the end-of-period targets that are actually specified in SB 2 (1X), 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.

The increased compliance burden that results from adopting 25 and 33 percent procurement targets for the full years 2016 and 2020 rather than the days, December 31, 2016, and December 31, 2020, should be offset by adopting procurement targets for 2014 and 2015 and for 2017, 2018, and 2019 that are not based on the linear trend that is adopted in the Proposed Decision.<sup>10</sup> In order to offset the impact of adopting the 25 percent and 33 percent procurement targets for the full years 2016 and 2020, the Proposed Decision should be revised to adopt targets

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<sup>10</sup> The Proposed Decision describes the linear trend for the second compliance period as follows: "a straight-line trend from the quantity for the prior compliance period (average of 20% of retail sales) to the concluding year of the 2014-2016 compliance period (25% of retail sales), yields intervening year targets of 21.7% of retail sales in 2014 and 23.3% of retail sales in 2015." Proposed Decision at 17.

The Proposed Decision describes the linear trend for the third compliance period as follows: "using a straight-line trend from the statutory target for the concluding year of the prior compliance period (25% of retail sales) to the

for 2014 and 2015 and for 2017, 2018, and 2019 that increase more slowly year-to-year with a “jump to goal” of 25 percent for 2016 and 33 percent for 2020.

Adopting a lower rate of escalation of procurement targets for the earlier years in the second or third compliance periods would meet the SB 2 (1X) requirement that quantities reflect “reasonable progress” toward attaining procurement equal to 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020, while offsetting the increased burden of 25 percent and 33 percent targets for the entirety of 2016 and 2020 respectively.

Adopting a lower rate of escalation of procurement targets for the earlier years in the second or third compliance periods would have further benefits. A lower rate of escalation of procurement targets for the earlier years would better accommodate the fact that renewable energy deliveries do not increase in linear fashion. In its August 30, 2011 comment, SCE explained the “lumpy” nature of adding renewable resources:

This unevenness is attributable to contract expirations; newly contracted projects not coming on-line as scheduled due to permitting and siting issues, developer performance, or other issues; transmission delays; and variations in the renewable generation itself due to differing weather conditions or other factors.<sup>11</sup>

Additionally, adopting a lower rate of escalation of procurement targets in the earlier years of the second and third compliance periods would better contain the impact of the SB 2 (1X) program on ratepayers. The Division of Ratepayer Advocates (“DRA”) supports what DRA calls a “concave” rather than a straight-line trend in yearly targets for the second and third

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concluding year of the 2017-2020 compliance period (33% of retail sales), yields intervening year targets of 27% of retail sales in 2017, 29% of retail sales in 2018, 31% of retail sales in 2019, and 33% of retail sales in 2020.” Proposed Decision at 18.

<sup>11</sup> SCE Comments at 8 (August 30, 2011).

compliance periods because a “concave” trend line would help to reduce renewable costs, mitigating the impact of the SB 2 (1X) program on ratepayers:

From the ratepayer perspective, the optimal solution is to minimize the ratepayer’s exposure to renewable costs over the compliance period. This approach would suggest lower intermediate targets for the first two years of a compliance period and an aggressive “push” to achieve the target in the final year.<sup>12</sup>

**A. The Proposed Decision’s Argument for Rejecting a Contoured Trend Line Does Not Take Into Account the Impact of the 25 Percent and 33 Percent Targets for 2016 and 2020.**

In response to the Large Utilities’ and DRA’s proposal for a contoured rather than linear trend line for increasing the annual targets that would be used to determine the procurement quantity requirement for compliance periods two and three, the Proposed Decision argues that the Legislature mitigated the impact of the SB 2 (1X) program by providing for multi-year compliance periods, no carry-over of procurement deficits from one compliance period to the next, and continuation of the SB 107 2017 target of 20 percent for the entirety of the 2011-2013 compliance period. The

In SB 2 (1X), the Legislature responded in several ways to the issue of “lumpy” RPS procurement raised by the three large utilities in their comments in response to the Ruling. Most notably, SB 2 (1X) replaces the annual RPS procurement target with a multi-year compliance period. As discussed further below, SB 2 (1X) also eliminates enforceable annual requirements. In Section 399.15(b)(9), SB 2 (1X) eliminates the carry-over of procurement deficits from one compliance period to the next. Further, the new statute maintains the 20% target instituted by SB 107 for the entire 2011-2013 compliance period, requiring no new planning for compliance in that initial period.<sup>13</sup>

However, the three mitigating factors itemized in the Proposed Decision do not offset the need for a contoured rather than linear trend-line for compliance periods two and three.

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<sup>12</sup> DRA Opening Comment at 4 (August 30, 2011).

<sup>13</sup> Proposed Decision at 14.

The three mitigating factors itemized in the Proposed Decision were incorporated into SB 2 (1X) to mitigate the impact of the program *as designed in SB 2 (1X) with year-end targets of 25 percent and 33 percent for 2016 and 2020 respectively*. By assuming a 25 percent target for the entirety of 2016 and a 33 percent target for the entirety of 2020 in calculating the procurement quantity requirement for the second or third compliance periods, the Proposed Decision increases the burden on utilities and their ratepayers beyond what was required by the plain meaning of SB 2 (1X).

If the Commission is going to increase the burden on utilities and their ratepayers above the level required by SB 2 (1X), there should be some mitigation of the increased burden beyond the three mitigation measures that the Proposed Decision identifies as being incorporated into SB 2 (1X). The increased burden on utilities and their ratepayers above the level required by SB 2 (1X) should be mitigated by adopting a contoured trend-line as proposed by the Large Utilities and DRA instead of a linear trend line for calculating the procurement quantity requirement for compliance periods two and three.

**B. The Trend Line Proposed by the Large Utilities Should Be Adopted.**

There was a difference between the trend-line proposed by the Large Utilities and the trend-line proposed by DRA. The Large Utilities proposed that the target for the each of the years leading up to the final years of the second or third compliance periods should increase by one percent over the prior year. The result would be procurement targets of 21 percent in 2014 and 22 percent in 2015 with a jump to 25 percent in 2016 for the second compliance period. The procurement targets for the third compliance period would be 26 percent in 2017, 27 percent in 2018, and 28 percent in 2019 with a jump to 33 percent in 2020.<sup>14</sup>

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<sup>14</sup> See Proposed Decision at 13.

DRA proposed targets that were somewhat more aggressive than the Large Utilities' targets for the middle years of the second and third compliance periods. DRA proposed targets of 21 percent for 2014, 22.5 percent for 2015, and 25 percent for 2016 for determining the procurement quantity requirement for compliance period two. DRA proposed targets of 26 percent for 2017, 28 percent for 2018, 30.25 percent for 2019, and 33 percent for 2020 for determining procurement quantity requirements for compliance period three.<sup>15</sup>

Insofar as the curve in the trend-line proposed by the Large Utilities would rise more modestly than the curve proposed by DRA during the years that lead to the final years of compliance periods two and three, the Large Utilities' proposal would better serve to mitigate the impact of adopting 25 percent and 33 percent targets for the full years 2016 and 2020, respectively. Likewise, the Large Utilities' proposed trend-line would better accommodate the "lumpy" nature of investment in renewable resources and would better contain the impact of the 33 percent program on ratepayers. Accordingly, the Proposed Decision should be revised to incorporate the trend lines proposed by the Large Utilities rather than the trend lines proposed by DRA for determining the procurement quantity requirement for compliance periods two and three.

#### **IV. CONCLUSION.**

For the reasons set forth above, SCPPA urges the Commission to revise the Proposed Decision to eliminate the errors in statutory interpretation of SB 2 (1X) as discussed above and to adopt the trend lines proposed by the Large Utilities for determining the procurement quantity requirement for compliance periods two and three. In accordance with Rule 14.3(b) of the

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<sup>15</sup> DRA Opening Comment at 4 (August 30, 2011).

Commission's Rules of Practice and Procedure, Appendix A contains proposed changes to the Findings of Fact and Conclusions of Law that are included in the Proposed Decision.

Respectfully submitted,

*/s/ Norman A. Pedersen*

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Dated: November 17, 2011

**APPENDIX A**

**PROPOSED CHANGES TO FINDINGS OF FACT AND CONCLUSIONS OF LAW**

## **I. PROPOSED CHANGES AND ADDITIONS TO FINDINGS OF FACT.**

### **A. Add a new Finding of Fact 3 as follows:**

The 33 percent renewable procurement program mandated by SB 2 (1X) substantially increases the burden on utilities and their ratepayers above the burden of the 20 percent renewable procurement program mandated by SB 1078 and SB 107.

### **B. Add a new Finding of Fact 4 as follows:**

The provisions in SB 2 (1X) for multi-year compliance periods for the 10 years 2011-2020, the elimination of the carry-over and procurement deficits from one compliance period to the next, and the maintenance of SB 107 20 percent target for the entire 2011-2013 compliance period help to mitigate the increased burden on utilities and ratepayers that will result from implementation of the SB 2 (1X) 33 percent renewable program.

### **C. Add a new Finding of Fact 5 as follows:**

Adopting targets of 25 percent for the calendar year 2016 and 33 percent for the calendar year 2020 to be used in calculating the procurement quantity requirement for compliance periods two and three respectively will increase the burden on utilities and their ratepayers by expanding the SB 2 (1X) targets of achieving 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020, to cover the full calendar years 2016 and 2020.

### **D. Add a New Finding of Fact 6 as follows:**

In order to offset the increased burden of applying the 25 percent and 33 percent targets to the full years 2016 and 2020 and to otherwise contribute to offsetting the increased burden of moving to a 33 percent renewable program from the 20 percent renewable program, the annual targets proposed by the Large Utilities should be used for determining the procurement quantity requirement for compliance periods two and three.

### **E. New Finding of Fact as Follows:**

Establishing a target of 25 percent for calendar year 2016 and 33 percent for calendar year 2020 would impose a burden on utilities and their ratepayers that is greater than the burden that would be imposed by the target of achieving 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.

## **II. PROPOSED CHANGES AND ADDITIONS TO CONCLUSIONS OF LAW.**

### **A. Insert a New Conclusion of Law as Follows:**

The intervening years for compliance period two are 2014, 2015, 2016; the intervening years for compliance period three are 2017, 2018, 2019, and 2020.

**B. Revise Conclusion of Law 8 as Follows:**

For the compliance period 2014-2016, the RPS procurement quantity requirement of each retail seller should be:

Megawatt-hours of RPS-eligible procurement required = (~~.217~~ .21 \* 2014 retail sales) + (~~.233~~ .22 \* 2015 retail sales) + (.25 \* 2016 retail sales), where retail sales are expressed in megawatt-hours.

**C. Revise Conclusion of Law 9 as Follows:**

For the compliance period 2017-2020, the RPS procurement quantity requirement of each retail seller should be:

Megawatt-hours of RPS-eligible procurement required = (~~.27~~ .26 \* 2017 retail sales) + (~~.29~~ .27 \* 2018 retail sales) + (~~.31~~ .28 \* 2019 retail sales) + (.33 \* 2020 retail sales), where retail sales are expressed in megawatt-hours.

**VERIFICATION**

I, Norman A. Pedersen, am counsel of record for the Southern California Public Power Authority in proceeding R.11-05-005 and am authorized to make this verification on its behalf. I hereby verify that the statements made in the foregoing **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY COMMENTS ON PROPOSED DECISION SETTING PROCUREMENT QUANTITY REQUIREMENTS** are true and correct to the best of my knowledge, except for those matters which are stated on information and belief, and as those matters, I believe them to be true.

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

Executed on November 17, 2011 at Los Angeles, CA.

*/s/ Norman A. Pedersen*

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Norman A. Pedersen