

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

Application of Southern California Edison Company (U 338-E) for Applying the Market Index Formula and As-Available Capacity Prices Adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities Beginning July 2003 and Associated Relief

Application 08-11-001
(Filed November 4, 2008)

**SUPPLEMENTAL PROGRESS REPORT OF
SAN DIEGO GAS & ELECTRIC COMPANY**

I. INTRODUCTION

Pursuant to the commitment that Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company (“SDG&E”) (collectively “IOUs”) undertook in the Joint Semi-Annual Progress Report (“Report”), filed herein on December 1, 2011, SDG&E provides this Supplemental Progress Report to the Parties in the above-referenced proceeding.

II. BACKGROUND

Decision 10-12-035, which approved the Qualifying Facility and Combined Heat and Power (“CHP”) Program Settlement Agreement (“Settlement”), directed the IOUs to file the first semi-annual progress report (Progress Report) on the first business day of the month following the Settlement Effective Date (“SED”). The SED was November 23, 2011, making December 1, 2011 the due date for filing the Report (“Due Date”).

In the Report, the IOUs noted that in recognition of the fact that only four business days had lapsed between the SED and the Due Date, the IOUs would serve parties with supplemental reports on December 23, 2011. The Report stated:

[O]n December 23, 2011, the IOUs will serve parties on the service list of A.08-11-001 with supplemental reports of their procurement activity (MWs only) under the Settlement Agreement. Thereafter, the IOUs will file their semi-annual reports on March 31 and September 30 in the following years, using the Energy Division's template for the semi-annual reports, which template is still being developed.¹

III. SUPPLEMENTAL REPORT

To date, SDG&E has not executed any contracts that would count towards SDG&E's Initial Program Period Megawatt Targets under Section 5 of the Term Sheet of the Settlement. Nor has SDG&E executed any transition or legacy amendments.

SDG&E will initiate its first CHP Request for Offer ("RFO") within 90 days of the SED, *i.e.*, no later than February 21, 2012, in accordance with Section 5.1.4.2 of the Settlement Term Sheet.

Please direct any questions regarding the upcoming RFO to Peter DeFazio at 858-654-1873.

¹ Progress Report at 2.