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February 15, 2012

**ADVICE LETTER 2232-E-D**

(San Diego Gas & Electric Company ID U 902-E)

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

**SUBJECT: SUPPLEMENTAL – COMBINING SDG&E’S RENEWABLE AUCTION MECHANISM (“RAM”) AND SOLAR ENERGY PROJECT (“SEP”) AS AUTHORIZED BY DECISION D.12-02-002**

**PURPOSE OF THE ADVICE LETTER**

In compliance with the California Public Utilities Commission’s (“CPUC” or “Commission”) Resolution E-4414 (the “RAM Resolution”) issued on August 18, 2011, San Diego Gas & Electric Company (“SDG&E”) filed Advice Letter 2232-E-A on September 19, 2011 (the “Initial Advice Letter”), Supplemental Advice Letter 2232-E-B on September 26, 2011 (the “First Supplemental Advice Letter”) and Supplemental Advice Letter 2232-E-C on October 25, 2011 (the “Second Supplemental Advice Letter”). The purpose of the Initial Advice Letter was to demonstrate compliance with Ordering Paragraphs 2 through 37 of the RAM Resolution. The First Supplemental Advice Letter corrected a mistake in the 2011 RAM RFO document. The Second Supplemental Advice Letter corrected and amended SDG&E’s 2011 RAM RFO document and RAM Power Purchase Agreement to be in full compliance with the RAM Resolution.

The purpose of this advice letter (the “Advice Letter”) is to demonstrate compliance with the Decision D.12-02-002, which partially granted SDG&E’s two petitions for modification seeking to combine the solicitation of 74 MWs of local solar photovoltaic (“PV”) electricity from the SEP into the RAM.

The Decision directs SDG&E to file a Tier 2 advice letter by February 15, 2012 specifying the amount of each RAM product that SDG&E shall solicit in each remaining RAM solicitation for the 74 MWs of capacity added to RAM, and the amount of each product in its new total RAM allocation of 155 MWs.

**SUMMARY OF CHANGES**

SDG&E intends to allocate all 74 SEP MWs to its Peaking As-Available product category. SDG&E will divide this additional capacity evenly across the remaining RAM solicitations so as not to pre-judge whether market conditions will favor front-loaded or back-loaded procurement. SDG&E acknowledges that the RAM decision allows IOUs to procure over or under its procurement targets in any product category by 20 MWs<sup>1</sup>, which at this point appears to provide sufficient flexibility for SDG&E to respond to market conditions.

Table 1 shows SDG&E’s original RAM solicitation schedule.

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<sup>1</sup> RAM Resolution p.11.

**Table 1. Auction Schedule/Procurement Targets (MW)**

<b>Product</b>	2011 (1)	2012 A (2)	2012 B (3)	2013 A (4)	<b>Total</b>
Baseload	5	5	5	5	20
Peaking As-Available	10	10	10	11	41
Non-Peaking-As Available	5	5	5	5	20
<b>Total (MW)</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>81</b>

Table 2 summarizes the changes made to SDG&E's RAM solicitation schedule to incorporate the SEP capacity.

**Table 2. Revised Auction Schedule/Procurement Targets (MW)**

<b>Product</b>	2011 (1)	2012 A (2)	2012 B (3)	2013 A (4)	<b>Total</b>
Baseload	5	5	5	5	20
Peaking As-Available	10	35	35	35	115
Non-Peaking-As Available	5	5	5	5	20
<b>Total (MW)</b>	<b>20</b>	<b>45</b>	<b>45</b>	<b>44</b>	<b>155</b>

SDG&E will incorporate the revised procurement targets as described in Table 2 in its documentation for the 2012 RAM solicitation. The revised solicitation documents will be posted to SDG&E's RAM website<sup>2</sup> approximately six weeks before bids are due.

### **PROTEST**

The filing of a supplement does not automatically continue or reopen the protest period or delay the effective date of the advice letter.<sup>3</sup> The Energy Division may, on its own motion or at the request of any person, issue a notice continuing or reopening the protest period. Any new protest shall be limited to the substance of the supplemental filing.

SDG&E respectfully requests that the protest period not be reopened since this Supplemental Advice Letter 2232-E-D makes only changes required to the RAM RFO to comply with the Decision D.12-02-002. However, if the protest period is reopened, the protest must state the grounds upon which it is based and should be submitted in accordance with the direction provided by the Energy Division. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

<sup>2</sup> <http://sdge.com/2011-renewable-auction-mechanism>

<sup>3</sup> General Order 96-B. § 7.5.1.

Copies should also be sent via e-mail to the attention of Honesto Gatchallian (jnj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest be sent via electronic mail and facsimile to SDG&E on the same date it is mailed or delivered to the Commission (at the addresses shown below).

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. 858-654-1879  
E-Mail: MCaulson@semprautilities.com

### **EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective pending disposition) pursuant to GO 96-B. Since this filing is being made in compliance with Decision D.12-02-002, SDG&E respectfully requests that it become effective on March 16, 2012, which is thirty (30) days from the date filed.

### **NOTICE**

In accordance with General Order No. 96-B, a copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.08-07-017 and R.11-05-005, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by e-mail to SDG&ETariffs@semprautilities.com.

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CLAY FABER  
Director – Regulatory Affairs

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat    WATER = Water

(Date Filed / Received Stamp by CPUC)

Advice Letter (AL) #: 2232-E-D

Subject of AL: Supplemental – Combining SDG&E's Renewable Auction Mechanism ("RAM") and Solar Energy Project ("SEP") as Authorized by Decision D.12-02-002

Keywords (choose from CPUC listing): Procurement, Power Purchase Agreement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision / Resolution #:

D.10-12-048, D.12-02-002 and Resolution E-4414

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: \_\_\_\_\_

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 3/16/2012

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: \_\_\_\_\_

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Megan Caulson**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Cameron

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynergy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

San Diego Regional Energy Office

S. Freedman  
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander  
K. Cini  
K. Gansecki  
H. Romero

TransCanada

R. Hunter  
D. White

TURN

M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi  
N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

R.11-05-005  
A.08-07-017