

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 10-05-006
(Filed May 6, 2010)

**NOTICE OF *EX PARTE* COMMUNICATION BY
PACIFIC ENVIRONMENT,
COMMUNITIES FOR A BETTER ENVIRONMENT, AND SIERRA CLUB**

Dated: April 5, 2012

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In accordance with Rules 8.3 and 8.4 of the Commission's Rules of Practice and Procedure, Pacific Environment (PE), Communities for a Better Environment (CBE), and Sierra Club California (Sierra Club) hereby give notice of the following *Ex Parte* communication in the above-captioned proceeding.

On Tuesday, April 3, 2012 at 9:45 a.m. in the Commission's offices in San Francisco, Deborah Behles, counsel for PE, Lauren Otto, certified law student working for PE under the supervision of Deborah Behles, Shana Lazerow, counsel for CBE, and William Rostov, counsel for Sierra Club, met with Matthew Tisdale, Advisor to Commissioner Florio. The communication was initiated by PE, CBE, and Sierra Club to discuss the Proposed Decision (PD) issued in Tracks I and III of the above proceeding. Communication was oral and lasted approximately 45 minutes.

Counsel for all three parties reiterated their support for the Track I Settlement Agreement and the PD's reasoning that accompanies its approval. The parties then discussed their support

of the Advice Letter requirements for contracts with Once Through Cooling facilities less than 5 years in duration. Ms. Behles stated that the Advice Letter requirement provides a middle ground and allows the Commission to keep an important check on the utilities to ensure their compliance with the SWRCB's policy to phase out OTC units "as soon as possible."

Next, the three parties discussed their positions related to GHG compliance. Mr. Rostov discussed the utilities' GHG procurement plans, reiterating the inherent risk associated with procurement of offsets. The three parties advocated for actual GHG emission reductions to be analyzed in each of the utilities' GHG plans by, for example, requiring the utilities to consider how to reduce emissions by making their plants more efficient which would reduce the amount of allowances to be purchased. The parties pointed out that this type of analysis should be made part of the next LTPP proceeding.

Finally, the three parties discussed the importance of a Commission-hired Independent Evaluator (IE), urging the Commission to overcome the "administrative hurdles" cited in the PD to ensure that such a long-contemplated policy change could finally be implemented. The parties also discussed process issues related to the next LTPP proceeding.

No written or other materials were used or provided in connection with this communication. Copies of this notice may be obtained by contacting Deborah Behles at (415) 442-6647 or dbehles@ggu.edu.

Dated: April 5, 2012

Respectfully Submitted,

/s/ Deborah Behles
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