

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)

**LATE FILED NOTICE OF EX PARTE COMMUNICATION
OF THE DIVISION OF RATEPAYER ADVOCATES**

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April 5, 2011

Pursuant to Article 8 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) gives notice of the following ex parte communications:

On March 26, 2012, at 10:0 a.m., representatives from DRA appeared at an All Party meeting noticed by Commissioner Mike Florio's office in the above-referenced Long Term Procurement Planning proceeding. The subject of the meeting was the pending "Proposed Decision on System Track I and Rules Track III of the Long-Term Procurement Plan Proceeding and Approving Settlement." The meeting lasted for approximately two and a half hours. The meetings were public and held in the Auditorium of California Public Utilities Commission at 505 Van Ness Avenue, San Francisco, California. All Parties were invited to participate and speak at the meeting.

DRA's analyst Chris Ungson spoke at the all party meeting. Mr. Ungson addressed a panel of Commission representatives, including Commissioner Michael Florio, Commissioner Catherine Sandoval, and Administrative Law Judge Peter Allen. DRA provided a handout at the meeting, summarizing the recommended changes that DRA has for the Proposed Decision (PD), covering changes to procurement rules and processes, and to the proposed Greenhouse Gas procurement policies. A copy of this handout is attached to this notice.

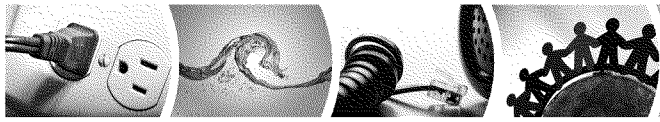
In addition to the subjects covered in the handout, Mr. Ungson orally stated DRA's position that it supports the position of CAISO (and other parties) that the 2012 Long Term Procurement Proceeding decision should focus on local capacity needs, and that system need and renewable integration, and IOU bundled plans can be addressed in a 2013 LTPP decision. Mr. Ungson also pointed out that the 2012 LTPP should allow parties time to meaningfully participate in the RI, system and local need study process, and review and comment on the CAISO modeling, inputs and assumptions and study results. DRA, has been an active participant in the Renewable Integration Working Group put together to further study the CAISO RI model and make improvements to the model. In addition, DRA's retained consultant, Synapse, has replicated the CAISO RI model and will be validating the model and sharing its findings in the proceeding.

/s/ CHARLYN HOOK

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LTPP Track 1 and Track 3 Proposed Decision DRA's Recommended Modifications

March 26, 2012 All Party Meeting

1. The procurement rules for UOG/PPAs should apply to both conventional and preferred resources, including renewable generation.
2. Energy Division (ED) staff should make the final decision on the assignment and management of Independent Evaluators (IEs) for individual projects, while utilities continue to be responsible for IE contract administration.

GHG Product Procurement

3. The purchase of GHG offset forwards should be allowed.
4. The ARB's 8% quantitative limit on GHG offsets should be imposed over a compliance period, and not annually.
5. The IOUs should be able to procure, in pre-approved situations, GHG compliance instruments through bilateral transactions (including brokers) without utilizing a competitive RFO process.
6. The PD should clarify that after a specific exchange is approved for GHG compliance instruments, no advice letter process is required for authorization of future transactions on that exchange.
7. The IOUs should be permitted to sell GHG compliance instruments without a Tier 2 Advice Letter review in circumstances that have been pre-approved by the Commission.
8. The IOUs should be permitted to update their GHG emissions forecasts as necessary.
9. The IOUs' GHG compliance instrument procurement limits should include their contractual GHG obligations.