

**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 12-03-014
(Filed March 22, 2012)

**COMMENTS BY SEMPRA U.S. GAS & POWER, LLC ON THE
ENERGY DIVISION STANDARDIZED PLANNING ASSUMPTION PROPOSAL**

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May 31, 2012

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I. INTRODUCTION

Pursuant to Rule 6.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure and the May 17, 2012 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, Sempra U.S. Gas & Power, LLC ("Sempra USG&P") respectfully submits these comments on the Energy Division Standardized Planning Assumption Proposal ("Proposal") distributed on May 10, 2012 and discussed at the May 17, 2012 workshop.

II. COMMENTS

The Energy Division staff ("Staff") provided parties a Comment Template for 2012 LTPP Straw Proposal on Planning Standards. At this time, Sempra USGP only has comments on questions 16.a and 17, but reserves the right to comment on the other questions posed in the template in the future.

a. Question 16.a – Deliverability: Are any changes to the definition of future resources considered deliverable warranted?

At the May 17 workshop, Staff indicated they intend to assume that imported renewable energy would only be considered deliverable up to the extent of the current CAISO Maximum Import Capability (MIC) plus any associated CAISO Transmission

Planning Process upgrade capacity that has received CPUC approval. However, the MIC is based on historical, rather than forward-looking imports during peak hours. New resources would in fact increase peak imports over time and increase the MIC. This feedback loop should be considered in setting the transmission import capacity. Staff indicated that they may consider using the WECC path ratings in place of the historical MIC. Sempra USG&P believes this approach is preferable because it does not inherently limit renewable import deliverability/capacity.

b. Question 17 – Deliverability: What additional information is needed for resource locations?

As Sempra USG&P has noted in previous comments submitted to the CAISO in response to the April 2, 2012 stakeholder meeting on the 2012/13 transmission plan and renewable portfolio assumptions, the RPS calculator (“Calculator”) makes arbitrary and overly simplistic assumptions regarding the cost and permitting status of renewable project located outside California. For example, projects located in Arizona are arbitrarily disadvantaged by the assignment of a high permitting score, even though the projects may be fully permitted. The Calculator also assigns a significant transmission upgrade adder (over 100 miles of new 500-kV transmission) to projects that may be in fact be directly connected to the Palo Verde hub, a CAISO interface. The Calculator should not unfairly bias the selection of renewable projects based on erroneous assumptions regarding project milestones or location. Sempra USG&P urges that the Calculator be reassessed on order to reconcile these biases with respect to projects located outside of California.

III. CONCLUSION

For the reasons stated herein, Sempra USG&P respectfully requests that the above comments be taken into account when considering the Energy Division Standardized Planning Assumption Proposal.

Respectfully submitted,

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