

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

Order Instituting Rulemaking to Continue)	Rulemaking 11-05-005
Implementation and Administration of California)	(Filed May 5, 2011)
Renewables Portfolio Standard Program.)	

**RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)
TO MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY
FOR CLARIFICATION REGARDING STATUS OF EXISTING ASSEMBLY
BILL 1969 FEED-IN TARIFF PROGRAM UNDER DECISION 12-05-035**

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June 27, 2012

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

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.))))) Rulemaking 11-05-005) (Filed May 5, 2011)
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**RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)
TO MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY
FOR CLARIFICATION REGARDING STATUS OF EXISTING ASSEMBLY
BILL 1969 FEED-IN TARIFF PROGRAM UNDER DECISION 12-05-035**

In accordance with Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (the “Commission”). San Diego Gas & Electric Company (“SDG&E”) provides this response in support of the *Motion of Southern California Edison Company for Clarification Regarding Status of Existing Assembly Bill 1969 Feed-In Tariff Program Under Decision 12-05-035*, filed by Southern California Edison Company (“SCE”) on June 21, 2012 in the above-captioned docket (the “Motion”). For the reasons set forth below, SDG&E urges the Commission to grant the Motion and provide the necessary clarification regarding the interim status of the investor-owned utilities’ (“IOUs”) respective Assembly Bill (“AB”) 1969 feed-in tariff (“FiT”) programs.

In Decision (“D.”) 12-05-035, the Commission implemented amendments to Public Utilities Code § 399.20^{1/} and adopted, *inter alia*, a new pricing mechanism for the Commission’s § 399.20 FiT program, termed the “Renewable Market Adjusting Tariff” or “Re-MAT”.^{2/} The Re-MAT will be incorporated into the IOUs’ respective FiTs and standard form contracts

^{1/} All statutory references herein are to the Public Utilities Code unless otherwise noted.

^{2/} D.12-05-035, *mimeo*, p. 2.

through a subsequent decision to be issued at a future date.^{3/} The Commission directs in D.12-05-035 that “projects in the queue and without a contract must comply with the new rules adopted today.”^{4/} Thus, as a practical matter, there will exist an interim period of some months before FiT program participation requests can be processed in compliance with the new Re-MAT pricing rules. During this interim period, it is not clear how participation requests should be handled; as SCE correctly notes, the discussion set forth in D.12-05-035 “is ambiguous as to whether the Commission intends to close the existing AB 1969 program before the new Re-MAT program is in place.”^{5/}

SDG&E’s current § 399.20 FiT program includes its WATER tariff and standard contract, as well as its CRE tariff and standard contract. In light of the discussion set forth in D.12-05-035, SDG&E is uncertain how to proceed during the interim period prior to adoption of the Commission’s second Re-MAT decision with participation requests received pursuant to these two FiTs.^{6/} In particular, SDG&E is unable to discern the Commission’s intent regarding projects that had filed a FiT application prior to May 24, 2012, the date of issuance of D.12-05-035, but had not executed a power purchase agreement (“PPA”) as of that date. Although D.12-05-035 notes that generators had ample notice that the rules for the FiT program would change,

^{3/} See *Joint Assigned Commissioner’s and Administrative Law Judge’s Ruling Setting Workshop on a Utility Standard Form Contract for the Section 399.20 Feed-In Tariff Program*, pp. 1-2 (“ . . . we intend to issue two proposed decisions on this [FiT] program. The first proposed decision will address price and other program details . . . The second proposed decision will address the single standard form contract . . .”).

^{4/} D.12-05-035, *mimeo*, p. 103.

^{5/} Motion, p. 2.

^{6/} SDG&E notes that it has posted on its website a notice advising potential FiT program participants of program changes resulting from issuance of D.12-05-035 and advising that “[p]ending approval by the CPUC of a new SDG&E FiT and standard contract that complies with D.12-05-035, SDG&E is suspending execution of standard contracts under its CRE and Water FiTs.” See <http://sdge.com/node/654>

the procedure for processing projects that had already applied for WATER/CRE but had not yet signed a PPA is not sufficiently clear.^{7/} This is evidenced by the fact that SDG&E has received multiple inquiries from developers regarding the status of FiT applications filed prior to issuance of D.12-05-035.

In order to promote regulatory certainty, which is crucial to developers' ability to continue development of their projects, SDG&E joins in SCE's request for clarification of the interim status of the AB 1969 program. Specifically, the Commission should clarify the status of: (i) FiT applications submitted prior to May 24, 2012 where no PPA has been signed; and (ii) FiT applications submitted after May 24, 2012. With regard to the former category, SDG&E agrees with the recommendation that the Commission provide a date certain by which a developer must have had an eligible project in the existing FiT queue in order to be allowed to complete a PPA under the prior rules.^{8/}

Respectfully submitted this 27th day of June, 2012.

/s/ Aimee M. Smith

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^{7/} See D.12-05-035, *mimeo*, p. 103.

^{8/} See, e.g., Motion, pp. 4-5; *Pacific Gas & Electric Company's Response to Southern California Edison's Motion for Clarification Regarding Status of Existing Assembly Bill 1969 Feed-In Tariff Program Under Decision 12-05-035*, filed June 26, 2012 in R.11-05-005, p. 2.

AFFIDAVIT

I am an employee of the respondent corporation herein, and am authorized to make this verification on its behalf. The matters stated in the foregoing **COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) IN RESPONSE TO MOTION OF SOUTHERN CALIFORNIA EDISON COMPANY FOR CLARIFICATION REGARDING STATUS OF EXISTING ASSEMBLY BILL 1969 FEED-IN TARIFF PROGRAM UNDER DECISION 12-05-035** are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 27th day of June, 2012, at San Diego, California

/s/ Hillary Hebert

Hillary Hebert
Partnerships and Programs Manager
Origination and Portfolio Design Department