Docket:	:	R.12-03-014
Exhibit Number	:	
Commissioner	:	Michel Peter Florio
Admin. Law Judge	:	David M. Gamson
DRA Witnesses	:	Robert M. Fagan

DIVISION OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION

AMENDED TESTIMONY OF ROBERT M. FAGAN

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

(R.12-03-014)

San Francisco, California
August 8, 2012

586833

MW, a reduction of more than 40% of otherwise needed OTC resources (or their equivalent). This reduction also excludes the contribution that demand response resources can make to further lower OTC resource needs.

I estimate a resource *surplus* for both the overall LA Basin local area and the BC/Ventura local areas based on information from CAISO's OTC studies, and recent demand-side assumptions for the SCE portion of these local areas. I assumed retirement of the existing OTC units in CAISO's LA Basin area (~~4,740~~ 4,940MW total, at El Segundo, Huntington Beach, Redondo Beach, and Alamitos generating stations). I assumed commercial operation of repowered units at El Segundo, Walnut Creek, and Sentinel peaking resources. I assumed retirement of the Ormond Beach and Mandalay stations in the BC/Ventura area. I used an estimate of demand response (DR) resources from SCE's 2011 Demand Response Load Impact Evaluations Portfolio Summary, prepared by Freeman, Sullivan & Co. on May 30, 2012. After accounting for these resources and using current CEC mid-case estimates of uncommitted energy efficiency (EE) as reported at the DAWG[1] meeting in June 2012, I find a resource surplus of 845 MW exists in the LA Basin in 2020, declining to a surplus of 489 MW by 2022I estimate a 1,820 MW surplus in the overall BC/Ventura area in 2020. Due to data limitations[2], and concern over the extent to which sub-area configurations in 2012/13 will be the same as those in place in 2020, my analysis does not at this time address potential sub-area LCR needs. I use a load and resource balance approach to calculate the overall LCR area values.

I note that my analyses focus on the resource deficiency/surplus issue; CAISO focuses on both LCR need, and estimates of "OTC need". The analyses are not directly comparable for two reasons: i) CAISO indicates that any resource can contribute to meeting this need, and I specifically include resources in my assessment in an attempt to gauge net resource needs, and ii) I don't attempt to analyze LCR sub-areas, as additional detail is required for this assessment. For

[1] Demand Analysis Working Group.

[2] The CAISO testimony and the CAISO transmission plan contain limited detail on sub-areas, and the resource screening tool provided by CAISO does not provide sub-area breakdowns.

Table RF-2. Range of Resource "Deficiency" or "Surplus", LA Basin Local Area, 2012-2022

LA Basin Overall LCR Scenario based on May 31 2012 CEC Load Forecast, SCE DAWG EE and DR, CAISO Transmission Imports to LA Basin												
Row	Item			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
A	Gross peak load LA Basin LCR Area 1 in 10 (CEC Revised Feb. 2012 Form 1.5d), MW			19,974	20,452	20,806	21,080	21,382	21,644	21,913	22,202	22,492	22,778	23,060
B	Uncommitted EE (6/18/2012 DAWG Mid-case SCE / 81.2% LA Basin share), MW			5	68	158	294	414	518	593	708	814	906	995
C	Uncommitted EE rest of CAISO LA Basin utilities (est at 50% of SCE's effort, proportionate to peak load			0	4	9	17	24	30	34	40	46	51	56
D	Net peak load (gross peak minus uncommitted EE), MW			(A - B - C)	19,969	20,380	20,639	20,769	20,944	21,096	21,287	21,454	21,632	21,821	22,009
E	Transmission import, MW (CAISO OTC analysis, Env. Case, Tehachapi addition in 2015)			10,592	10,592	10,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592	11,592
F	Gross LA Basin need before demand response, MW			(D - E)	9,377	9,788	10,047	9,177	9,352	9,504	9,695	9,862	10,040	10,229	10,417
G	Demand response reduction (SCE Load Impact Final Report, LA Basin %				1,260	1,435	1,547	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
H	Net LA Basin area supply need after DR resources			(F - G)	8,117	8,353	8,500	7,627	7,802	7,954	8,144	8,311	8,490	8,678	8,867
I	Existing supply (CAISO LA Basin, 2012 NQC, p 228)			inc. supply side CH	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083
	Retirement path: Alamitos	2,010	MW									(2,010)	(2,010)	(2,010)
	Retirement path: Huntington Beach	904	MW		(452)	(452)	(452)	(452)	(452)	(452)	(452)	(904)	(904)	(904)
	Retirement path : El Segundo	670	MW		(335)	(335)	(670)	(670)	(670)	(670)	(670)	(670)	(670)	(670)
	Retirement path: Redondo Beach	1,356	MW									(1,356)	(1,356)	(1,356)
J	OTC Total Retirements (Siao, implemention plans, SE	4,940	MW	-	(787)	(787)	(1,122)	(1,122)	(1,122)	(1,122)	(1,122)	(4,940)	(4,940)	(4,940)
	El Segundo repower (unit 3 credits 2013, unit 4 credits 2017)				280	280	280	280	560	560	560	560	560	560
	Walnut Creek (Huntington Beach credits)				500	500	500	500	500	500	500	500	500	500
	Sentinel CPV				850	850	850	850	850	850	850	850	850	850
K	Total estimated Fossil Resources (El Segundo, Walnut Creek, Sentinel), Known Hi-Probability Additior				1,630	1,630	1,630	1,630	1,910	1,910	1,910	1,910	1,910	1,910
L	New RPS in LA Basin													
M	New CHP in LA Basin (SCE Base, Yakov testimony fro ICF report)				45	68	90	113	147	180	214	248	282	292	303
N	Total net supply (I + J + K + L + M)				12,128	12,994	13,016	12,704	12,738	13,051	13,085	13,119	9,335	9,345	9,356
O	**Balance: Base Need (+ is surplus, - is deficiency)**			**(N - H)**	**4,641**	**4,517**	**5,077**	**4,936**	**5,097**	**4,941**	**4,808**	**845**	**667**	**489**