

*Southern California Edison*  
2012 LTPP R.12-03-014

**DATA REQUEST SET R.12-03-014 CEJA-SCE-002**

**To:** CEJA

**Prepared by:** Colin E. Cushnie

**Title:** Director, Energy Planning

**Dated:** 07/23/2012

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**Question 02:**

On page 4 of SCE's Supplemental Testimony, SCE states that it "will demonstrate that the proposed PPA is consistent with the State's Preferred Loading Order." Please explain how SCE plans to make this showing and what information SCE believes is necessary to demonstrate a PPA is consistent with the loading order.

**Response to Question 02:**

In order to make the affirmative showing SCE has referenced, SCE will provide in its application an identification of the availability and cost of each form of preferred resource (i.e., Energy Efficiency, Demand Response, Renewable Energy Generation, Distributed Generation, and Combined Heat & Power) and, if necessary, the cost effectiveness of each preferred resource type in reducing and/or meeting the LCR need. Similarly, SCE will provide its assessment on the feasibility of incremental transmission solutions. Any proposed PPA that does not result in a preferred resource will demonstrate that all cost effective and feasible preferred resources and transmission options have been considered.

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**Question 03:**

In its reply testimony, SCE states that it will procure all cost effective preferred resources in meeting its LCR needs. *See* SCE Reply Test. at p. 3. Will SCE allow preferred resources to bid into any solicitations that it holds? Has a preferred resource (meaning Energy Efficiency, Demand Response, or renewable energy) ever been selected by SCE from a solicitation where said preferred resource competes with conventional generation?

**Response to Question 03:**

SCE has not established the parameters of any potential solicitations it might conduct as part of its effort to meet the local area reliability needs of its system. However, SCE is technology neutral on the form of resources that can meet the projected local area reliability requirements. To the extent a resource technology is effective in meeting the technical requirements of a solicitation, SCE will fully consider the resource's bid. Certain preferred resources (e.g., Energy Efficiency and Demand Response) cannot meet local area reliability requirements, but they can reduce the need for new local area resources. As a result, these preferred resources would not be able to participate directly in any solicitation SCE conducts for new generation resources, but they will be considered separately in terms of their cost effectiveness in reducing the LCR need. SCE has had limited participation to date from preferred resources in solicitations it conducts that permit conventional generation to participate, and to the best of my knowledge, has not awarded a contract to a preferred resource in these solicitations.

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**Question 04:**

On page 3 of SCE's Supplemental Testimony, SCE states that it requests "sufficient flexibility to procure only those resources that it can show are needed." Please define what analysis, evaluation, and data SCE will rely on to make a showing that LCR resources are needed.

**Response to Question 04:**

Please see the responses to Question Nos. 2 and 3.