

**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)

**REPLY COMMENTS OF SAN DIEGO GAS AND ELECTRIC COMPANY
(U 902 E) ON THE ENERGY DIVISION REVISED DRAFT SCENARIOS**

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Pursuant to the schedule set forth in the *Revised Assigned Commissioner's Ruling Setting Forth Standardized Planning Scenarios for Comment* issued September 25, 2012 in the above-captioned proceeding (the "ACR"), San Diego Gas and Electric Company ("SDG&E") provides these reply comments on the revised draft scenarios set forth in the Attachment to the ACR.

**I.
GENERAL COMMENTS**

As stated in SDG&E's opening comments, SDG&E applauds the efforts of the Energy Division ("ED") to define a number of scenarios that provides a wide range of possible futures that can provide the basis for analysis that will inform the Commission on future resource decisions. The revised scenarios encompass a range of needs and, to the extent actual events unfold within the range the scenarios contemplate, these will offers the Commission a more comprehensive understanding of the resource planning issues facing the state. SDG&E strongly urges the Commission to remain open the results of analysis and not prejudice which scenario should drive decisions.

SDG&E also supports the ED's efforts to date to not prejudice future resource needs or the best technologies to meet those needs. Many parties with specific interests continue to advocate for the inclusion of their particular preferred resource prior to the determination of needs. The purpose of the scenarios is to determine resource needs, including any special

characteristics; it is not to select specific technologies to meet those needs prior to conducting the analysis.

II. RESPONSE TO SCENARIO COMMENTS

SDG&E responds herein to comments submitted by other parties related to the high load scenario and the planning assumptions used for imports. With regard to the high scenario, SDG&E supports the observation of Pacific Gas & Electric Company (“PG&E”) that the Commission should recognize that the net loads in the high scenario, although constructed by the ED using a specific set of assumptions, could occur under a number of different sets of assumptions.^{1/} Thus the results of any analysis using this scenario should be viewed as a case which shows the implication of higher loads. It should not be viewed as a case that could only occur based on all the assumptions used to develop the case. Although SDG&E did not fully agree with how this scenario was developed, SDG&E felt the resulting net loads provided a reasonable high case that will provide useful information given the large number of possible ways a higher net load could occur.

PG&E, Southern California Edison Company (“SCE”) and the California Independent System Operator (“CAISO”) all raised important issues regarding the assumed level of imports. Although the revised scenarios use a reduced level of total transmission capability, the issue remains of how much generating capacity will be available in surrounding states to fill the total capability. SDG&E is supportive of the CAISO’s proposal to limit the imports to the maximum historical actual simultaneous observed imports of 12,400 MW.^{2/} SDG&E does recommend that the results of any analysis review the level of imports relied upon in the modeling to determine if this input is critical to the results.

^{1/} PG&E Comments, p. 3.

^{2/} CAISO Comments, p. 9.

SCE raised a second important issue regarding imports. Specifically, as SCE noted, the amount of import capability will vary based on a number of factors, including the current inertia within the Southern California Import Transmission (“SCIT”) boundary.^{3/} Since each case is made up of a different resource mix, it should not be assumed that the import capability will remain constant. This could especially be true in the scenarios without the San Onofre Nuclear Generation Station (“SONGS”). Thus SDG&E recommends that the Commission ask the CAISO to assess whether the transmission grid is able to maintain the base case assumptions in each scenario and, if not, the appropriate adjustments that should be made.

Dated this 19th day of October, 2012 in San Diego, California.

Respectfully submitted,

/s/ Aimee M. Smith

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^{3/} SCE Comments, p. 4.