

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

AIMEE M. SMITH

101 Ash Street, HQ-12  
San Diego, California 92101  
Telephone: (619) 699-5042  
Facsimile: (619) 699-5027  
amsmith@semprautilities.com

Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY

October 5, 2012

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

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 & Electric Company ("SDG&E") provides these comments on the revised draft scenarios set forth in the Attachment to the ACR.

**I.  
GENERAL COMMENTS**

SDG&E applauds the efforts of the Energy Division ("ED") to further refine the proposed long-term procurement plan ("LTPP") planning scenarios and supports the changes made by the ED to the original proposed scenarios. 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 agrees with the Commission's conclusion that determining what new infrastructure must be constructed in order to ensure adequate system reliability is an important objective of the scenario analysis. While SDG&E may not agree with all of the assumptions included in the scenarios, SDG&E believes the revised scenarios offer a range of forecast managed demand net loads that is likely wide enough to capture the load levels that will actually

materialize. This information will assist the Commission in making decisions regarding future resource additions for the 2012 LTPP. The Commission must carefully consider resource need over a range of needs and should not treat the “Base Scenario” as the default procurement approach. In other words, the “Base Scenario” should be not characterized as the “expected case” – it is just one of many possible cases. SDG&E believes the “expected case” has a higher level of managed demand net loads than the “Base Scenario.”

The Commission should look at multiple scenarios in order to understand and anticipate what resource additions might be necessary in the future. Given the inherent uncertainty that exists, selecting resources that address needs in a scenario that has a higher level of managed demand net loads than the “Base Scenario” may be a more prudent course of action. As is well-documented, loads do not grow in a straight line over a ten or twenty year planning period; the state must be prepared should loads grow faster than contemplated by the “Base Scenario,” especially in the near term as the state recovers from the current economic down turn and where the options for reacting to unanticipated load growth are limited due to the long lead time for development of new resources.

## **II. MODELING PRIORITIES**

SDG&E supports the modeling priorities for the scenarios proposed by the ED, and further recommends that any direction as to what modeling should be completed for each case provide some flexibility to allow for changes as the analysis moves forward. Information that is gleaned from the first scenario should be used to determine what modeling is required for subsequent scenarios. This approach has not been followed in past LTPP analysis, and has sometimes resulted in substantial effort being undertaken to run a case even where it was known prior to the analysis that no new or useful information would be provided. Since time and

resources are limited in the instant case, the process should permit modification, where necessary, as more is learned about what critical factors are driving resources needs. Running a scenario through a modeling exercise merely because other scenarios were run, is not a good use of limited resources.

### **III. CHANGE TO RPS CALCULATOR**

SDG&E supports the various technical changes that were made to the Renewable Portfolio Standard (“RPS”) calculator. SDG&E still has concerns, however, with the Distributed Solar amounts reflected for the San Diego area. While it appears that the latest version of the calculator appropriately removed a substantial number of commercial interest projects from the San Diego area, this does not entirely address SDG&E’s concerns with the results. SDG&E believes that the Commercial Interest case is still producing too high of a level of Distributed Solar for the San Diego area for a Base Case scenario. Although this version of the RPS calculator has reduced the number of projects the calculator can select from, in the Commercial Interest case, the model is selecting 100% of these theoretical projects. As the Commission is well aware, there is a substantial failure rate in renewable project development. To assume a 100% success rate for all the projects included in the model does not represent a reasonable base case planning assumption given historical performance of small ground mounted solar in the San Diego area. The Base Case should reflect the historical success rate of close to 60%, which is closer to the success of renewable projects in general. Thus the “Base Case Assumption for Distributed Solar – SDG&E” should be closer to 85 MW, not 149 MW.

Making the adjustment described above to the Base Case will create a material difference between the Base Case and High DG scenarios. The current High DG scenario actually has slightly less Distributed Solar in the San Diego area as compared to the Base Case scenario.

SDG&E is comfortable with the amount of distributed solar in the High DG case as a planning assumption. It seems unreasonable that a change in policy to favor Distributed Solar would result in less capacity than the current policy. This change would also make the growth in Distributed Solar for the San Diego area similar to the growth in Distributed Solar between the Base Case and the High DG case that is occurring in the Southern California Edison Company (“SCE”) and Pacific Gas & Electric Company (“PG&E”) areas.

Dated this 5<sup>th</sup> day of October, 2012 in San Diego, California.

Respectfully submitted,

/s/ Aimee M. Smith

AIMEE M. SMITH

101 Ash Street, HQ-12  
San Diego, California 92101  
Telephone: (619) 699-5042  
Facsimile: (619) 699-5027  
amsmith@semprautilities.com

Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY

October 5, 2012