

**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 AND ELECTRIC COMPANY  
(U 902 E) ON PROPOSED DECISION ADOPTING LONG-TERM  
PROCUREMENT PLANS TRACK 2 ASSUMPTIONS AND SCENARIOS**

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**I.  
INTRODUCTION**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (the “Commission”), San Diego Gas and Electric Company (“SDG&E”) provides these comments regarding the Proposed *Decision Adopting Long-Term Procurement Plans Track 2 Assumptions and Scenarios* (the “PD”).

The PD adopts final standardized planning assumptions and scenarios to be used by the investor-owned utilities (“IOUs”) to develop their bundled plan forecasts in the Long-Term Procurement Plan (“LTPP”) proceeding.<sup>1/</sup> SDG&E generally does not object to the standardized planning assumptions and scenarios adopted by the PD, but notes an area in which clarification is required, as well as the existence of an error in the estimation of distributed generation (“DG”) in SDG&E’s service territory.

**II.  
DISCUSSION**

***A. The PD Should be Revised to Make Clear that it Does Not Require Reliance on Base Case Assumptions in Track 3 Bundled Plan Filings***

The PD would require the IOUs to use “the assumptions selected for the Base Scenario in Attachment A . . . in their ongoing bundled procurement, consistent with D12-01-033.”<sup>2/</sup> It is not

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<sup>1/</sup> PD, Ordering Paragraph 3.

<sup>2/</sup> *Id.* at p 5.

clear, however, what action is contemplated by this direction. If the intent of this requirement is to require each IOU to use the base case assumptions to update the procurement limit tables included in their currently-approved LTPPs, *prior* to filing of their next LTPP, this should be expressly stated in the final decision. If, on the other hand, the PD intends to require the IOUs to use the base case assumptions in their proposed LTPPs filed in Track 3, SDG&E submits that the determination at this time that the Track 3 LTPP filings must incorporate base case assumptions is error.

It is premature to conclude at this point that the base case assumptions are appropriate for use in Track 3 bundled plan filings; the record is not sufficiently developed to permit the Commission to make this determination. The Base Scenario should be not characterized as the “expected case” or the default procurement approach – it is just one of many possible cases. In this Track, the Commission will examine multiple scenarios in order to understand and anticipate what resource additions might be necessary in the future. Thus, analysis of the relevant scenarios must be performed and the results presented to the Commission before the Commission may reach an informed conclusion as to which scenarios should be relied upon in the IOUs’ Track 3 bundled plan filings. Accordingly, Ordering Paragraph 3 of the PD should either be revised in accordance with Attachment A hereto to make clear that the requirement applies *solely* to updates made to the procurement limit tables included in the IOUs’ *current* bundled plans (and not to the next bundled plan filing), or should be deleted in its entirety.

***B. The DG Estimate Included in the Base Scenario for SDG&E Should be Corrected***

The Base Scenario, as proposed in the PD, includes an estimation of DG in SDG&E’s service territory that is inaccurate and misleading. The Base Scenario selects the “Commercial Interest” portfolio to forecast future Renewable Portfolio Standard (“RPS”) development.<sup>3/</sup> The

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<sup>3/</sup> PD, Attachment A, Section VIII.A.

Commercial Interest case assumes a 100% success rate for all theoretical distributed solar projects in the San Diego area. It is generally acknowledged that there is a substantial failure rate in renewable project development. Thus, the assumption of a 100% success rate for *all* 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 PD should be revised to ensure that the Base Case reflects the historical success rate of approximately 60%, which is closer to the success of renewable projects in general.

### **III. CONCLUSION**

For the reasons set forth above, the PD should be revised in accordance with the recommendations contained herein and set forth in Attachment A hereto.

Dated this 10th day of December, 2012 in San Diego, California.

Respectfully submitted,

/s/ Aimee M. Smith

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**ATTACHMENT A**  
**Proposed Ordering Paragraph**

**Proposed Ordering Paragraph:**

3. Southern California Edison Company, San Diego Gas & Electric Company and Pacific Gas and Electric Company shall use the base scenario and assumptions in Attachment A for purposes of **updating the procurement limit tables included in their currently approved bundled plans. The Commission will address in a later ruling the assumptions to be used in draft bundled plans filed in Track 3 of this proceeding.** ~~their bundled plan forecasts in this proceeding.~~