

**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.

R. 12-03-014  
(Filed March 22, 2012)

**NOTICE OF EX PARTE COMMUNICATION  
BY SIERRA CLUB CALIFORNIA**

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February 8, 2013

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Pursuant to Article 8 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Sierra Club California (“Sierra Club”) hereby gives notice of the following oral ex parte communication with Rachel Peterson, advisor to Commissioner Peterman, and Julie Fitch, Chief of Staff for Commissioner Peterman. This ex parte meeting was requested by an attorney representing Sierra Club to discuss the Local Capacity Requirements Proposed Decision (“PD”) in the above-captioned proceeding.

On February 5, 2013, from approximately 10:30 am to 11:00 am, William Rostov, Earthjustice Staff Attorney, and Adenike Adeyeye, Earthjustice Research & Policy Analyst, representing Sierra Club, met with Rachel Peterson and Julie Fitch at the Commission’s offices in San Francisco. No written materials were used.

Mr. Rostov emphasized that the Commission should keep climate change and air quality in mind when considering the decision. In this vein, he reiterated the Sierra Club’s support for the 1,500 MW procurement maximum and use of the loading order to direct procurement. Mr. Rostov stated Sierra Club’s disagreement with the inclusion of the 1,000 MW gas-only procurement requirement, as it violates the loading order, which states that preferred resources should have the opportunity to meet LCR need.

Mr. Rostov also noted that Sierra Club supports use of the environmentally constrained scenario, rather than the trajectory scenario that CAISO and SCE favor. He explained that Sierra Club supports the inclusion of energy efficiency and distributed generation estimates in the environmentally constrained scenario, but urges the Commission to also include a reasonable amount of demand response resources when determining local capacity requirements.

Mr. Rostov suggested that the Commission reduce the maximum procurement limit by 500 MW to account for the demand response that CAISO neglected to include in the environmentally constrained scenario. Additionally, Mr. Rostov recommended that the Commission heed recommendations from Sierra Club and other parties, including SCE, that a procurement decision in the Big Creek/Ventura area be deferred to the 2014 LTPP. This decision can be deferred without risk to reliability. Finally, Mr. Rostov reiterated the Sierra Club's support for the inclusion of 50 MW of energy storage resources in the PD, since the record in this proceeding supports the fact that energy storage will be able to contribute to the grid in the coming decade.

Respectfully submitted,

Dated: February 8, 2013

/s/ WILLIAM ROSTOV

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