

**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 11, 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 Sara Kamins, energy advisor to Commissioner Ferron. This ex parte meeting was requested by an attorney representing Sierra Club to discuss the Local Capacity Requirements Proposed Decision (“proposed decision”) in the above-captioned proceeding.

On February 8, 2013, from approximately 11:35 am to 12:00 pm, William Rostov, Earthjustice Staff Attorney, and Adenike Adeyeye, Earthjustice Research & Policy Analyst, representing Sierra Club, met with Sara Kamins at the Commission’s offices in San Francisco. No written materials were used.

Mr. Rostov discussed California’s need to move away from fossil fuels in order to meet its 2050 climate goals, and urged the Commission to keep this in mind when considering the proposed decision. Referencing the recent revision to the proposed decision, he recommended that the Commission revert to authorizing procurement based on environmentally constrained scenario, rather than the trajectory scenario. The trajectory scenario does not include a reasonable estimate of distributed generation. Sierra Club suggests that the Commission consider the impact of the Feed-in Tariff program, the Renewable Auction Mechanism, and the

Governor's goals for distributed generation, when estimating how much distributed generation will be available over the next ten years.

Mr. Rostov stated that the Sierra Club supports the consideration of energy efficiency, combined heat and power, and demand response in the proposed decision, but recommends that the Commission increase the estimated amount of demand response resources. The current 200 MW estimate is too conservative. Given that the proposed decision states that 1,000 MW of demand response is a possibility, a more reasonable, but still conservative, estimate would be 500 MW.

Mr. Rostov also explained that the Sierra Club favors the prioritization of the loading order in the proposed decision, and requests that the minimum natural gas procurement level be removed. All resources should be allowed to meet that need. In line with the loading order, Mr. Rostov expressed Sierra Club's support for the new 150 MW minimum level of preferred resource procurement. Finally, he restated the Sierra Club's support for the 50 MW energy storage procurement requirement.

Respectfully submitted,

Dated: February 11, 2013

/s/ WILLIAM ROSTOV

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