

ALJ/DMG/rs6

Date of Issuance 2/13/2013

Decision 13-02-015 February 13, 2013

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)

**DECISION AUTHORIZING LONG-TERM
PROCUREMENT FOR LOCAL CAPACITY REQUIREMENTS**

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20. If any extensions to the OTC closure deadlines occur, this can be taken into account in future procurement proceedings or in a review of a procurement application by SCE.

21. The cost allocation mechanism established in D.06-07-029 and refined in D.07-09-04, D.08-09-012 and D.11-05-005 remains reasonable for application in this proceeding without modification, and is fair and equitable as required by Section 365.1(c)(2)(A)-(B).

22. The appropriate procedural venue for SCE to seek any changes it considers appropriate due to debt equivalence related to contracts foreseen from today's decision is its next COC application.

23. The record is insufficient to resolve outstanding questions about a CAM opt-out at this time.

24. It is not within the scope of this proceeding to determine whether SSJID is a large municipalization for the purposes of the CAM.

25. The Motion of MSF should be denied because it seeks to modify a policy adopted by the Commission along with other state agencies, and may conflict with statute.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company shall procure between 1400 and 1800 Megawatts (MW) of electrical capacity in the West Los Angeles sub-area of the Los Angeles basin local reliability area to meet long-term local capacity requirements by 2021. Procurement must abide by the following guidelines:

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- a. At least 1000 MW, but no more than 1200 MW, of this capacity must be from conventional gas-fired resources, including combined heat and power resources;
- b. At least 50 MW of capacity must be procured from energy storage resources;
- c. At least 150 MW of capacity must be procured from preferred resources consistent with the Loading Order of the Energy Action Plan;
- d. Subject to the overall cap of 1800 MW, up to 600 MW of capacity, beyond the amounts specified required to be procured pursuant to subparagraphs (a), (b) and (c) above, may be procured through preferred resources consistent with the Loading Order of the Energy Action Plan (in addition to resources already required to be procured or obtain by the Commission through decisions in other relevant proceedings) and/or energy storage resources.

2. Southern California Edison Company shall procure between 215 and 290 Megawatts of electric capacity to meet local capacity requirements in the Moorpark sub-area of the Big Creek/Ventura local reliability area by 2021.

3. Southern California Edison Company (SCE) shall use existing Resource Adequacy (RA) program rules (as developed in Rulemaking 11-10-023 and successor proceedings) to assess the effectiveness of proposed generation solutions for meeting the local capacity requirements need established in this Order. SCE shall identify its assumptions on the effectiveness of any resource for which the RA program does not provide clear guidance.

4. Any Requests for Offers (RFO) issued by Southern California Edison Company pursuant to this Order shall include the following elements, in addition to any RFO requirements not delineated herein but specified by previous Commission procurement decisions (including Decision 07-12-052) and the authorization and requirements of this decision: