

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

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ALLIANCE FOR RETAIL ENERGY MARKETS
DIRECT ACCESS CUSTOMER COALITION

December 17, 2013

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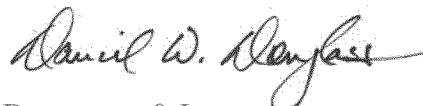
In accordance with the provisions of Article 8 of the Commission's Rules of Practice and Procedure, this notice of ex parte communication is provided on behalf of the Alliance for Retail Energy Markets ("AREM") and the Direct Access Customer Coalition ("DACC") with regard to two meetings that occurred on December 12, 2013: (a) from 1:30-2:00 with Julie Fitch, Chief of Staff to Commissioner Peterman and Melicia Charles, Energy Advisor to Commissioner Peterman; and (b) from 2:00-2:30 with Michael Colvin, Energy Advisor to Commissioner Ferron and Charlyn Hook, Legal Advisor to Commissioner Ferron. AREM was represented by Mary Lynch of Exelon and Sue Mara, Principal, RTOAdvisors, consultant to AREM; DACC was represented by Len Pettis of the California State University and Mark Byron of the University of California. Dan Douglass, counsel for AREM and DACC, was also present. The meetings took place at the Commission's offices at 505 Van Ness Avenue, San Francisco.

The discussion dealt with AREM/DACC's concerns about the proposed application of the Cost Allocation Mechanism ("CAM") to the procurement proposed by Southern California Edison ("SCE") and San Diego Gas & Electric ("SDG&E") in Track 4 of the long-term procurement plan ("LTPP") proceeding. The attached handout was provided at each meeting. AREM/DACC stated that if the retirement of the San Onofre Nuclear Generating Station ("SONGS"), which has been used to serve bundled customer load, necessitates new utility procurement then the bundled customers of SCE and SDG&E are obligated to pay for it.

It was also explained that retail choice customers do not want to be subject to utility procurement practices, which is why they elect retail choice. Imposing utility procurement on retail choice undermines the ability of electric service providers (“ESPs”) to manage the type of portfolios their customers are looking for. Further, it disregards the fact that ESPs are required and fully prepared to meet the reliability and environmental obligations imposed by statute and regulation, but their ability to do so is compromised by current policies that vest “reliability management” at the utilities.

To request a copy of this notice, please contact Michelle Dangott at (818) 961-3003 or mdangott@energyattorney.com.

Respectfully submitted,

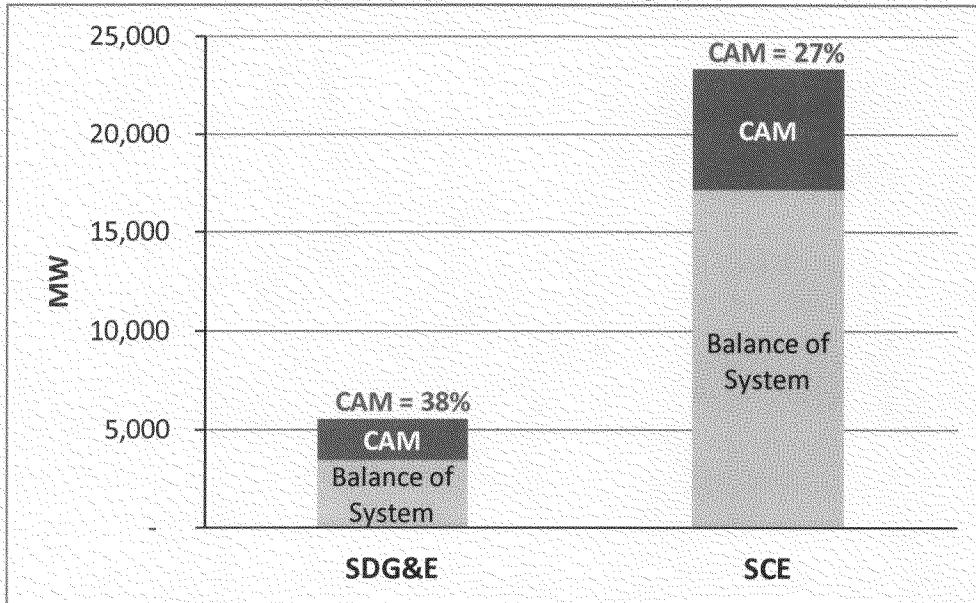


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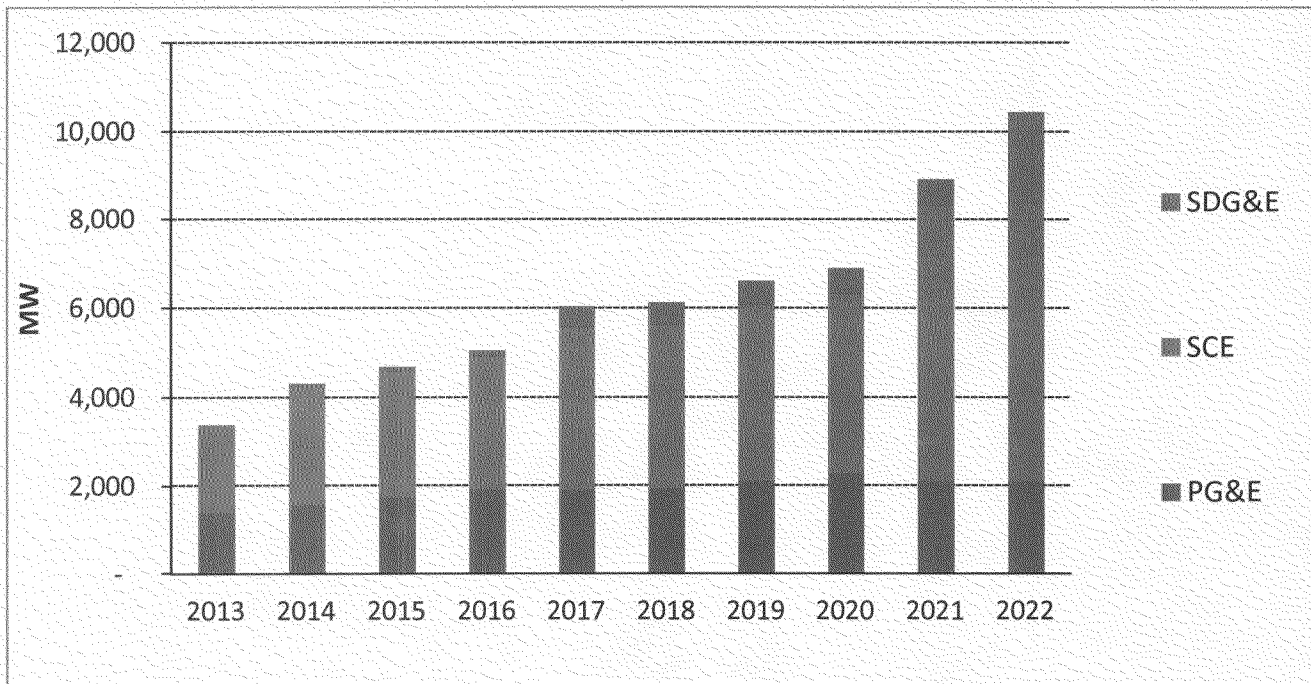
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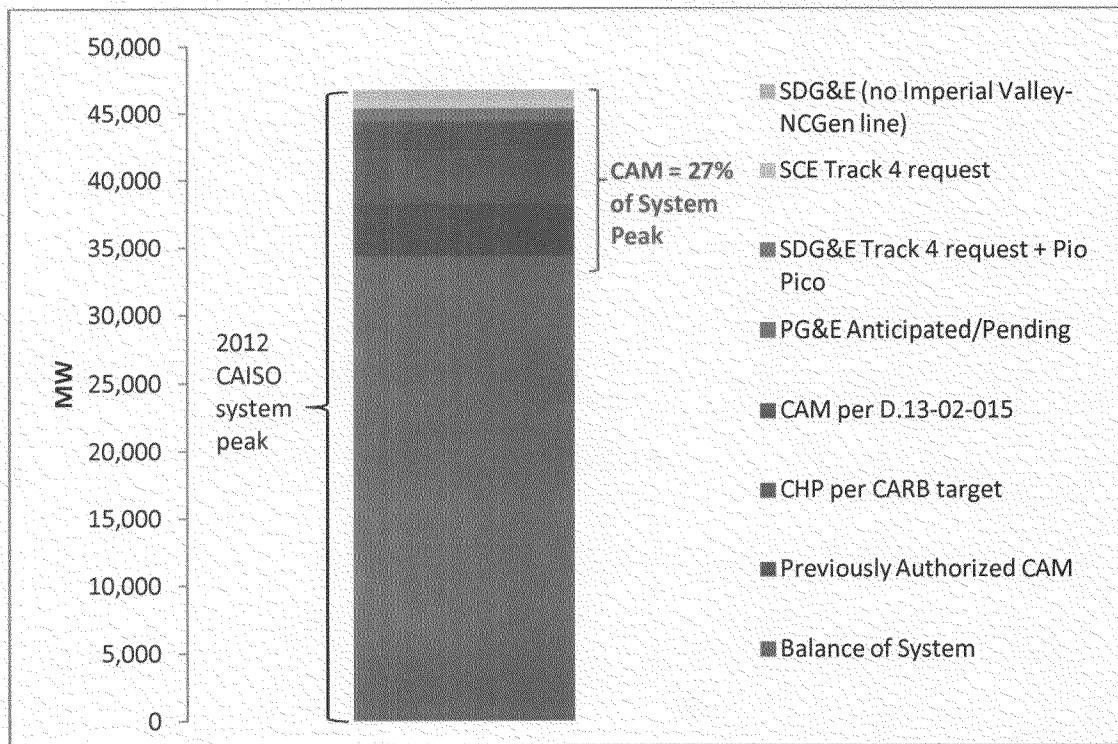
Estimated CAM Capacity in 2022



ESTIMATED CAM ADDITIONS



ALL AUTHORIZED/PROJECTED CAM CAPACITY V. CAISO 2012 PEAK



APPROVED CAM CAPACITY V. CAISO 2012 PEAK

