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)

NOTICE OF EX PARTE COMMUNICATION

In accordance with Rule 8.4 of the Commission's Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) (U-902-E) hereby gives notice of the following *Ex Parte* communications in the above proceeding.

On Monday, March 10, 2014 at 11:00 a.m. in the Commission's offices in San Francisco, Rob Anderson, Director of Resource Planning, and Billy Blattner, Manager of Regulatory Relations for SDG&E, met Carol Brown, Chief of Staff, and Brian Stevens, Advisor to Pres. Peevey. At 11:30 a.m., Mr. Anderson and Mr. Blattner met with Sepideh Khosrowjah, Chief of Staff, and Marcelo Poirier, Advisor to Commissioner Florio. The meetings were initiated by SDG&E to discuss the proposed decision (PD) in Track 4 of the above proceeding. Communication was oral and substantially similar in both instances.

Mr. Blattner stated that SDG&E generally supports the PD as well-reasoned and wellcrafted. Mr. Anderson explained, however, that the PD should recognize that the calculation of local needs in San Diego is based on conservative assumptions and included over 400 MW of new incremental preferred resources in the baseline of existing available supply. Mr. Blattner stated that SDG&E supports the state's Loading Order and actively procures preferred resources to meet or exceed the goals laid out in the Commission's various preferred resource programs.

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Nonetheless, SDG&E is concerned that it may be difficult to solicit, contract and develop an additional 600 MW of new preferred resources, including the over 400 MW assumed in the existing supply baseline, in time to meet the 2018 local reliability need identified in the PD. He recommended that the set-asides for additional preferred resources to satisfy local reliability needs beyond those already embedded in the supply calculation be removed from this decision. He requested that the procurement plan filing process and contracting requirements be efficient enough to allow new resources to be procured and developed in time to meet local capacity needs. Mr. Blattner also indicated that new resources will provide local reliability for all customers and that cost allocation mechanism treatment is appropriate.

To request a copy of this notice, please contact:

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Dated this 13th day of March, 2014 in San Francisco, California.

Respectfully submitted,

By: <u>/s/ Billy Blattner</u> Billy Blattner

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