



**SAN DIEGO GAS & ELECTRIC COMPANY  
LTPP/TRACK 4 PROCUREMENT PLAN  
(CONVENTIONAL PROCUREMENT)**

**MAY 1, 2014**

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**I. Overview of Identified Need and Procurement Plan Requirement**

In Decision (“D.”) 14-03-004 (the “Track 4 Decision”), the California Public Utilities Commission (the “Commission”) determined that new resources are required to meet local capacity requirement (“LCR”) need resulting from the retirement of the San Onofre Nuclear Generating Station (“SONGS”), as well as the mandatory retirement of once-through cooling (“OTC”) resources located in Southern California in accordance with State Water Resources Control Board (“SWRCB”) regulations.<sup>1</sup> Accordingly, the Track 4 Decision authorizes San Diego Gas & Electric Company (“SDG&E”) to procure through an all-source request for offers (“RFO”) or through bilateral negotiations between 500 and 800 Megawatts (“MW”) of electrical capacity in its territory to meet long term local capacity requirements by the end of 2021.<sup>2</sup> Such procurement must include at least 25 MW of energy storage resources as part of 200 MW of preferred resources consistent with the Loading Order of the Energy Action Plan.<sup>3</sup> The Commission makes clear in the Track 4 Decision that “[p]rocurement authorized by this decision should begin *as soon as possible*.”<sup>4</sup> The Commission noted further that “[p]rocurement needs may become critical as early as 2018 . . .”<sup>5</sup> in light of the 2017 OTC compliance deadline for the [aging and inefficient] Encina Power Station (“Encina”). It directed that “[t]o the extent authorized . . . SDG&E must expeditiously pursue procurement of any gas-fired generation expected to take several years to develop.”<sup>6</sup>

The Track 4 Decision directs SDG&E to submit for review and approval by the Commission’s Energy Division a procurement plan (the “Track 4 Procurement Plan”) explaining how it will procure the resources authorized by the Track 4 Decision.<sup>7</sup> The decision permits SDG&E to submit the conventional gas-fired resources portion of its Track 4 Procurement Plan for review in advance of submission of its full Track 4 Procurement Plan.<sup>8</sup> This document sets

<sup>1</sup> In May, 2010, the SWRCB adopted its statewide *Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling* (Resolution No. 2010-0020), which applies to power plants located along the California coast that rely on OTC technology (the “OTC Policy”). The OTC Policy implements § 316(b) of the federal Clean Water Act, which seeks to minimize the adverse environmental impacts of cooling water intake structures, and requires OTC facilities to meet certain requirements or retire by a specified compliance date.

<sup>2</sup> D.14-03-004, mimeo, Ordering Paragraphs (“OPs”) 2 and 3.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at p. 113 (emphasis added).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at OP 7.

<sup>8</sup> OP 7 of D.14-03-004 states that SDG&E’s procurement plan “shall be subject to the same procurement plan requirements of OP 6, 7 and 8 of D.13-02-015 (Southern California Edison’s (“SCE”) Local Capacity Requirement decision). OP 8 of D.13-02-015 states that “[SCE] may provide

forth the conventional resources portion of SDG&E’s Track 4 Procurement Plan. SDG&E will separately submit its preferred resources procurement plan, which will include SDG&E’s strategy for procuring at least 200 MW of preferred resources, within the 90-day period established in the Track 4 Decision. SDG&E addresses below the plan requirements set forth in the Track 4 Decision that are relevant to conventional gas-fired procurement (see Appendix A – “Roadmap of Procurement Plan Requirements Pursuant to D.14-03-004 and D.13-02-015”).

## II. Summary of the Conventional Resource Procurement Strategy

As discussed in the Track 4 proceeding, SDG&E’s technical modeling of LCR need assumed that SDG&E would aggressively pursue procurement of preferred resources such as Energy Efficiency (“EE”), Combined Heat and Power (“CHP”) and rooftop solar.<sup>9</sup> Indeed, taking into account assumptions regarding future procurement of preferred resources and the procurement authorized in Track 4, its proposed procurement strategy will achieve an approximately 50/50 split between preferred and conventional resources. The Track 4 Decision assumes that an additional 338 MW of future energy efficiency (“EE”) from existing programs will meet a portion of the identified need.<sup>10</sup> Add to that the 200 MW of new preferred resources that the Track 4 Decision directs SDG&E to procure, and the result is a total of 538 MW of preferred resources. With the additional reduction of need related to the addition of rooftop solar not yet developed but assumed in the Track 4 Decision’s calculation of existing local resources, the proposed 600 MW of gas-fired generation amounts to approximately 50% of all the new resources that will be added to provide reliable electric service to all customers.

While SDG&E is strongly committed to the goals of the Energy Action Plan and procurement of preferred resources in accordance with the Loading Order, it agrees with the Commission’s observation that “[i]t is necessary that a significant amount of this procurement level be met through conventional gas-fired resources in order to ensure that LCR needs will be met.”<sup>11</sup> It shares the Commission’s view that a balanced approach is necessary, and that while it is necessary to “pursu[e] preferred resources to the greatest extent possible, we must always ensure that grid operations are not potentially compromised by excessive reliance on intermittent resources and resources with uncertain ability to meet LCR needs.”<sup>12</sup> As described in its preferred resource procurement plan submitted in accordance with the Track 4 Decision, SDG&E intends to issue a solicitation to procure 200 MWs of preferred resources to meet LCR need. This preferred resource solicitation will solicit bids from new EE, demand response (“DR”), distributed generation, renewable generation, as well as energy storage. Pursuant to the Track 4 Decision, EE and DR bids must demonstrate that they are incremental to the

the conventional gas-fired resources portion of the procurement plan for review ahead of its full procurement plan. If Energy Division approves this portion of the plan, [SCE] may go forward with that procurement.”

<sup>9</sup> R.12-03-014/Track 4, SDG&E/Anderson, Exh. SDG&E-1, p. 9; *see also*, p. 7, Table 1, p. 9, Table 2.

<sup>10</sup> D.14-03-004, *mimeo*, p. 62.

<sup>11</sup> *Id.* at p. 90 (citing D.13-02-015, *mimeo*, Finding of Fact 30).

<sup>12</sup> *Id.* at p. 90.

assumptions used in the CAISO study. This will likely require EE and DR RFO participants to bid creative and innovative products in order to demonstrate the product is indeed incremental to existing programs or resources assumed in the CAISO's Track 4 technical studies. With innovation comes uncertainty regarding the ability or eligibility of these new products to meet the identified LCR need. Moreover, heavy reliance on renewables poses its own challenges to the grid. While SDG&E strongly supports inclusion of preferred resources in its portfolio to serve bundled load, it is also obligated to provide safe and reliable service at reasonable cost to its customers. Consequently, SDG&E is pursuing a diverse mix of resources, both conventional and preferred, to ensure that customers are reliably served with resources that provide local capacity. SDG&E believes the approximately 50/50 split between preferred resources and conventional generation achieved through its procurement strategy strikes the right balance in that it encourages preferred resources to meet LCR need while ensuring reliability.

The Commission has made clear that it is necessary to take proactive steps to prevent development of a reliability crisis in which there exists insufficient time to engage in additional procurement.<sup>13</sup> With a reliability need starting as early as 2018, SDG&E has been working diligently to negotiate a bilateral<sup>14</sup> agreement with Carlsbad Energy Center, LLC ("Carlsbad Energy Center") to purchase output from a proposed natural gas-fired, simple cycle peaking facility with a 600 MW nominal contract capacity located in Carlsbad, California ("CECP" or "Project").<sup>15</sup> SDG&E intends to file an application for approval of the Carlsbad Energy Center agreement as soon as possible following the approval of this conventional portion of its Track 4 Procurement Plan.<sup>16</sup> SDG&E does not anticipate that it will seek additional conventional gas-fired resources during the procurement period covered by the Track 4 authorization.

### **III. Procurement Considerations**

Attachment B to the Track 4 Decision and Ordering Paragraphs 6, 7 and 8 in D.13-02-015 set forth specific procurement plan requirements. To the extent these requirements relate to a bilaterally-negotiated contract for conventional generation, they are addressed below. Requirements relevant to an RFO for preferred resources will be addressed in SDG&E's preferred resources Track 4 Procurement Plan.

SDG&E's procurement strategy for the conventional portion of its Track 4 procurement authorization involves bilateral negotiation of a Purchase Power Tolling Agreement ("PPTA") authorization with Carlsbad Energy Center. SDG&E will seek Commission approval of the

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<sup>13</sup> See, e.g., D.09-01-008, *mimeo*, p. 18

<sup>14</sup> See D.14-03-004, *mimeo*, OP 3.

<sup>15</sup> The proposed resource has a nominal capacity of 600 MW. Since the amount of available capacity from a combustion turbine varies according to ambient conditions at the plant site, capacity payments are capped at 633 MW.

<sup>16</sup> OP 7 of D.14-03-004 states that "SDG&E may propose in its procurement plan a separate, earlier application for gas-fired generation."

PPTA through a separate application. As required by the Track 4 Decision, SDG&E explains below its general procurement strategy for procuring new conventional resources under its Track 4 procurement authorization, and describes generally how the Project fits within this strategy. A more detailed public interest showing will be provided in the application seeking approval of the PPTA:

- **Overall Description of Procurement Process (Attachment B, #1):** Pursuant to its authorization under D.14-03-004 and D.04-07-028, SDG&E intends to enter into a bilaterally negotiated long-term contract for conventional generation. It does not intend to seek contingent contracts.
- **Timeline (Attachment B, #2):** The 2017 OTC deadline for Encina is a critical driver for SDG&E's selection of new resources to fill a portion of its LCR need. Although D.14-03-004 establishes a deadline of 2021 for LCR procurement, the Decision acknowledges that the need in San Diego's service area could arise as early as 2018 given the retirement of Encina in 2017. Hence, given the long lead-time required to construct new conventional resources, it is critical that the process move forward as soon as possible in order to maintain reliability and to ensure that Encina meets the 2017 deadline for retirement of OTC facilities. Not only is the retirement of the aging Encina facility required by SWCRB OTC regulations, replacement with a state-of-the-art flexible resource will significantly reduce greenhouse gas emissions generated by dispatching this inefficient resource.

SDG&E supports competitive solicitation processes when feasible and in its customers' interests. While it is theoretically possible that SDG&E could solicit additional proposals through an RFO process, the Carlsbad Energy Center project is the only resource that can reasonably be expected to achieve an online date in 2017. The Carlsbad Energy Center project has an expected online date of November 1, 2017. The Carlsbad Energy Center project (i) has obtained critical permits – note that it intends to seek an amendment to its existing permits;<sup>17</sup> (ii) enjoys local support by the City of Carlsbad;<sup>18</sup> (iii) has existing CAISO queue positions and Large Generator Interconnection Agreements (“LGIAs”), which may allow it to benefit from a shorter time-frame for its request to amend its LGIAs; and (iv) is in advanced stages of negotiation with SDG&E. Resources procured through an RFO process, on the other

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<sup>17</sup> Carlsbad Energy Center will seek to amend its existing permit from the California Energy Commission to address a change in technology from baseload units to the more flexible LMS 100 peaking units. According to Carlsbad Energy Center, filing of the request for amendment is expected to occur in April 2014 and a final revised permit is anticipated to take 12-16 months.

<sup>18</sup> See Settlement Agreement Dated as of January 14, 2014 Between and Among the City of Carlsbad, Carlsbad Municipal Water District, Cabrillo Power I LLC, Carlsbad Energy Center LLC, and San Diego Gas & Electric Company.

hand, would be required to complete multiple procedural steps before being able to start construction, including Commission review of RFO documents and procurement plan approval, bid submittal and evaluation, contract negotiation and preparation of an application, and Commission review and approval of contracts. The Commission has itself acknowledged that it could take *seven or more* years to complete such procurement.<sup>19</sup>

As a practical matter, a 2017 online date for a resource procured through an RFO would require an extremely aggressive timeline for each step, no unexpected delays and a developer willing to spend significant dollar amounts *prior to* Commission approval. In addition, if such a project had not yet begun the California Independent System Operator (“CAISO”) interconnection study process at the time of the RFO, an additional two years must be added to the timeline. Given the near-term need for new resources, bilateral negotiation with a counterparty capable of meeting a 2018 need is a prudent procurement strategy.

SDG&E expects to execute the Carlsbad Energy Center agreement and file it for approval promptly upon Energy Division approval of this conventional portion of its Track 4 Procurement Plan. SDG&E will request a decision approving the agreement by year-end, 2014 in order to achieve an online date of November 1, 2017, consistent with State OTC mandates.

- ***Locational Details (Attachment B, #3):*** Because D.14-03-004 identifies a need for local resources, any proposed resource must meet CAISO requirements for full deliverability and local resource adequacy.

The Carlsbad Energy Center will interconnect at SDG&E’s existing Encina substation, which is located in the San Diego LCR area and will meet local resource adequacy requirements. SDG&E’s proposed agreement with Carlsbad Energy Center will require that the project obtain full deliverability status.

- ***LCR and Flexible Attributes (Attachment B, #5):*** SDG&E’s testimony in Track 4 of the Long Term Procurement Plan proceeding discusses the need for resources with the flexibility to meet loads during the evolving dual peak – one peak in the late afternoon (generally, between 4:00 PM and 5:00 PM) and a second peak between 8:00 PM and 10:00 PM.<sup>20</sup> This dual-peaking demand must be met or backstopped by

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<sup>19</sup> D.13-02-015, *mimeo*, p. 63 (“we take seriously the ISO’s concern [seconded by SCE and other] that there are some procurement opportunities associated with gas-fired plants which may be lost if there is a delay in moving forward, due to a likely seven to nine year lead time.”) (emphasis added).

<sup>20</sup> R.12-03-014/Track 4, SDG&E/Anderson, Exh. SDG&E-1, pp. 14-16.

gas-fired resources that can ramp up and down, follow load and be started multiple times within a single day. Besides this dual peak, as more renewable generation resources are added to the grid, additional flexible resources are needed to smooth the variability associated with intermittent renewable generation and to act as a backstop when those resources are not available. The Carlsbad Energy Center project will help to meet this challenge and will enable further growth in the proportion of renewables on the system.

The Carlsbad Energy Center project will be built with GE LMS100 technology, and will provide state of the art flexibility. Each unit will be capable of multiple starts and stops each day with minimal required “down time” in between dispatches. The units are also among the most highly efficient simple cycle technology units on the market. The ability to quickly start and ramp up to full output, and the relatively low heat rate translates to reduced gas consumption, which will result in lower emissions, especially of greenhouse gases (“GHG”). Flexible units such as these represent a paradigm shift away from baseload type units such as combined cycle plants that, although highly efficient when operated at full load, are not as flexible as units designed to be operated at lower capacity factors such as the LMS 100.

- ***Evaluation Details (Attachment B, #7):*** SDG&E will use a Least Cost Best Fit (“LCBF”) evaluation methodology that is consistent with its Long Term Procurement Plan<sup>21</sup> (“LTPP”), Section II.A.5.b.i (“Application of Least-Cost Best Fit Analysis in Procurement Transactions”). The LCBF analysis determines what options best match SDG&E’s portfolio requirements (for example, an LCBF analysis is suitable in evaluating Resource Adequacy [“RA”], energy, and ancillary services needs). In general, the LCBF process will:
  - Analyze the candidate options to ensure that the transaction is lower cost than other alternatives known to be available when added to SDG&E’s portfolio.
  - Apply constraints such as meeting target goals/set asides in various programs and honoring recognition of physical constraints.
  - Normalize a multitude of non-standard attributes from differing types of resources and the impacts on the entire portfolio.

The results of this analysis will be set forth in the Application for approval of the proposed Carlsbad Energy Center PPTA. The description herein is intended to provide the general methodology that will be proposed to evaluate the contract.

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<sup>21</sup> SDG&E’s LTPP was filed on July 25, 2012 as advice letter 2362-E-A. Available at: <http://regarchive.sdge.com/tm2/pdf/2362-E-A.pdf>

- **CAM Details (Attachment B, #8):** The Commission approved Cost Allocation Methodology (“CAM”) allows the net capacity costs of new generation resources required for system or local reliability to be shared by all benefiting customers in an Investor Owned Utility’s (“IOU’s”) service territory. SDG&E intends to seek CAM treatment for the capacity costs associated with meeting the LCR need identified in Track 4, including but not limited to costs associated with a Commission-approved PPTA with Carlsbad Energy Center.<sup>22</sup>
- **Project Details (Attachment B, #9):**
  - **Desired start dates for delivery:** As discussed above, SDG&E seeks a resource with a COD no later than January 1, 2018.
  - **Acceptable contract duration:** SDG&E seeks a long-term contract of 20 years, which is the industry standard for conventional power plants.
  - **Minimum size in terms of capacity:** SDG&E seeks a resource that will provide the full 600 MW authorized in D.14-03-004.

In general, in evaluating project viability, SDG&E considers such factors as intended technology, status of site control, developer team experience, permitting status and progress toward interconnection (study completion, interconnection agreement execution, etc.), among others. The project viability analysis also takes into account how far along in the development process the project has progressed, issues yet to be resolved and the developer team’s ability to overcome issues encountered in order to bring the project on-line.

In the case of the Carlsbad Energy Center project, a key viability consideration is the Settlement Agreement with the City of Carlsbad. This agreement provides for, *inter alia*, the retirement and demolition of the Encina power plant. Support for the project by the City of Carlsbad greatly improves the Project’s viability. Additional details regarding specific project viability will be provided in the application seeking Commission approval of the proposed PPTA.

- **Other Details (Attachment B, #10):**
  - **Participation of Disadvantaged Business Enterprises:** SDG&E believes in the value of diversity and therefore has integrated the increase of Disadvantaged Business Enterprise (“DBE”) suppliers into its corporate vision. In 2013, SDG&E

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<sup>22</sup> D.14-03-004, *mimeo*, OP 13.



purchased 44.9% or more than \$453 million of goods and services from diverse businesses, which greatly exceeds the Commission's goal of 21.5%.<sup>23</sup> Looking ahead, SDG&E is committed to continuing to build strong business relationships with its diverse supplier community and pursuing opportunities for diverse suppliers to provide even greater value to our customers.<sup>24</sup>

The proposed Carlsbad Energy Center agreement will likely include the following provision addressing DBE procurement:

In accordance with CPUC General Order 156, Seller, on behalf of itself and all of its contractor(s) and subcontractor(s), if utilizing a Women, Minority and Disabled Veteran Business Enterprise (as such term is used in General Order 156 adopted May 30, 1988, herein after called "DBE" contractor or subcontractor in the development, construction, operation and maintenance of the Project, shall use reasonable efforts to submit all documentation required by Buyer to report such verified DBE expenditures in support of or subcontracted under this Agreement.

- **Independent Evaluator (IE) details and IE role:** The role of the IE in SDG&E's procurement process is to ensure that the process is reasonable, transparent and free from real or perceived conflicts of interest.

SDG&E has consulted with Merrimack Energy Group acting in an IE role during negotiation of the Carlsbad Energy Center PPTA. SDG&E will submit an IE report with the Application for approval of the proposed PPTA.

- ***Statutes/Commission Decisions Affecting Procurement (Attachment B, #11):*** SDG&E's procurement is undertaken pursuant to California Public Utilities Code § 454.5, in accordance with its approved Long-Term Procurement Plan. Pursuant to D.14-03-004, SDG&E is authorized to procure between 500 and 800 MW of electrical capacity in its territory to meet long term local capacity requirements by the end of 2021. 200 MW must come from preferred resources and must be procured through an all-source solicitation. The remaining balance may be procured from any resource, including gas fired generation. As stated above, given the time constraints to satisfy the local reliability needs identified by the Commission and to enable the retirement of the aging and inefficient Encina plant consistent with State OTC policy, SDG&E is electing to procure a bilateral contract to meet the authorized need for the remaining 600 MW..<sup>25</sup> Moreover, in D.04-07-028, the Commission expressly recognized the utilities' authority to engage in

<sup>23</sup> 2013 SDG&E DBE Annual Report, pp. 2, 24. Available at: [http://www.sempra.com/pdf/about/dbe\\_sdge\\_2013\\_2014\\_final.pdf](http://www.sempra.com/pdf/about/dbe_sdge_2013_2014_final.pdf).

<sup>24</sup> *Id.* at p. 4.

<sup>25</sup> D.14-03-004, *mimeo*, OP 3.

bilateral negotiated contracts for capacity and energy from power plants where the purpose is to enhance local area reliability. SDG&E will further address any relevant procurement rules when it submits its application requesting Commission approval of the proposed Carlsbad Energy Center PPTA.

**APPENDIX A**  
**Roadmap of Procurement Plan Requirements**  
**Pursuant to D.14-03-004 and D.13-02-015**

<b>Specific Requirements from Track 4 Decision</b>	<b>Applicable to this Conventional Procurement Plan? If yes, where located?</b>
<p>Overall description of procurement process:</p> <ul style="list-style-type: none"> <li>• Major procurement steps (i.e. soliciting bids, bid evaluation, selection of bids/signing contracts, filing application for Commission approval, expected decision, on-line date.)</li> <li>• Include details on contingent contract process including triggers that would necessitate the execution of contingent contracts, option cost, contract terms, and a detailed break up of costs.</li> <li>• Describe which elements of the solicitation will be made public</li> </ul>	<p>pp. 3-5</p> <p>n/a</p> <p>n/a</p>
<p>Timeline:</p> <ul style="list-style-type: none"> <li>• Detailed timeline that includes an estimate for when resources with specific MW quantities are expected to come online up to the year of authorization</li> <li>• Also include: <ul style="list-style-type: none"> <li>○ Major procurement steps (i.e. soliciting bids, bid evaluation, selection of bids/signing contracts, filing application for Commission approval, expected decision, and on-line date</li> <li>○ Sub-timeline for any contingent contracts</li> <li>○ Major decision points for backup procurement when resources do not materialize</li> </ul> </li> </ul>	<p>pp. 4-5</p> <p>pp. 3-5</p> <p>n/a</p> <p>n/a</p>
<p>Location Details:</p> <ul style="list-style-type: none"> <li>• Indicate the substations and the locational effectiveness of the sites where the utility plans to procure resources</li> </ul>	<p>p. 5</p>

Description and quantification of how authorized demand-side resources are incremental:	
<ul style="list-style-type: none"> <li>• Detail plans to distinguish resources procured for the purpose of meeting LCR capacity/energy from resources procured within existing IOU-DSM programs like energy efficiency and demand response.</li> </ul>	n/a
<ul style="list-style-type: none"> <li>○ For energy efficiency: establish baseline planning assumptions that reflect LTPP planning assumptions.</li> </ul>	n/a
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Detail how the utility will direct bidders to propose resources whose procurement would exceed the baseline.</li> </ul> </li> </ul>	n/a
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ State the methodology and assumptions by which the utility will conduct an assessment to quantify the energy efficiency program baseline and the capacity and energy saving values of the incremental resources.</li> </ul> </li> </ul>	n/a
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Document how the assessment uses methods and assumptions consistent with current Commission adopted policy concerning the estimation of savings for energy efficiency projects and measures.</li> </ul> </li> </ul>	n/a
<ul style="list-style-type: none"> <li>○ For demand response: similar to energy efficiency, demand response load impact from the selected bids should be incremental to the CEC load forecast and the supply assumptions used for this decision</li> </ul>	n/a
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Establish RFO criteria that are consistent with all approved Commission decisions in the demand response rulemaking (R.13-09-011), Commission resolutions addressing demand response, Electric Rule 24 and any approved CAISO determinations of operational characteristics required of demand response to meet local reliability needs.</li> </ul> </li> </ul>	n/a
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ RFO criteria should provide flexibilities for meeting future adopted demand response policy if the Commission decisions in the demand response rulemaking (R.13-09-011) are pending.</li> </ul> </li> </ul>	n/a
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ Detail how the utility will direct bidder to propose resources capable of meeting these criteria.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>▪ State the methodology by which the utility will quantify and verify the operation of demand response resources to meet local reliability needs.</li> </ul> </li> </ul>	n/a

<p>LCR and flexible attributes:</p> <ul style="list-style-type: none"> <li>• Detail the LCR and flexible attributes of the various technology-specific resources considered for procurement.</li> <li>• Apply RA counting rules and the CAISO “non transmission alternatives” study in most cases.</li> <li>• In cases where these are no defined attributes for a resources, propose attributes with a detailed rationale.</li> </ul>	<p>pp. 5 – 6</p> <p>n/a</p> <p>n/a</p>
<p>Procurement Process:</p> <ul style="list-style-type: none"> <li>• Include detailed description of the procurement process resources, specifying the structure of any RFO, bilateral contract, existing procurement programs or alternative procurement process and related timelines.</li> <li>• Include information on structures of offers, selection, short listing and cost competitiveness threshold</li> </ul>	<p>pp. 3-5</p> <p>p. 6</p>
<p>Evaluation Details:</p> <ul style="list-style-type: none"> <li>• Process to evaluate different resources in a non-discriminatory fashion</li> <li>• Method to quantify costs and benefits related to capacity, energy, flexibility, GHG, ancillary services, etc for all resources</li> <li>• Standardized assumptions for costs and benefits across resource type</li> <li>• Method to capture non-energy and other quantitative benefits.</li> </ul>	<p>p. 6</p> <p>p. 6</p> <p>p. 6</p> <p>p. 6</p>
<p>CAM Details:</p> <ul style="list-style-type: none"> <li>• Indicate which resources should be subject to CAM treatment</li> <li>• Indicate which procured resources will count towards IOU program goals</li> </ul>	<p>p. 7</p> <p>p. 7</p>
<p>Project Details:</p> <ul style="list-style-type: none"> <li>• Detail how utility plans to evaluate the viability of preferred resource projects.</li> <li>• Include the following details for each technology type: <ul style="list-style-type: none"> <li>○ Desired start dates for delivery</li> <li>○ Acceptable contract durations</li> <li>○ Minimum size in terms of capacity</li> <li>○ Interconnection requirements</li> </ul> </li> </ul>	<p>pp. 7-8</p> <p>p. 7</p> <p>p. 7</p> <p>p. 7</p> <p>p. 5</p>

<p>Other Details:</p> <ul style="list-style-type: none"> <li>• Bidder outreach before and after the solicitation including details like bidder conferences, advertisements and webinars</li> <li>• Participation of disadvantaged business enterprises</li> <li>• Independent Evaluator details and role</li> </ul>	<p>n/a</p> <p>pp. 7-8 p. 8</p>
<p>Other statutes affecting procurement:</p> <ul style="list-style-type: none"> <li>• Cite relevant state laws and Commission decisions influencing this procurement</li> </ul>	<p>pp. 8-9</p>
<p>Documents:</p> <ul style="list-style-type: none"> <li>• Include non-binding pro formas and draft solicitation documents</li> </ul>	<p>n/a</p>

<p><b>Specific Requirements from D.13-02-015, Ordering Paragraphs 6, 7 and 8 of (SCE's LCR Decision)</b></p>	<p><b>Applicable to this Conventional Procurement Plan? If yes, where located?</b></p>
<p>A list of all applicable rules and statutes impacting the plan</p>	<p>pp. 8-9</p>
<p>A detailed description of how it intends to procure resources, specifying the structure of any RFO or alternative procurement process and related timelines</p>	<p>pp. 3-5</p>
<p>A statement as to whether or not SDG&amp;E intends to seek Commission reconsideration of the solicitation and bilateral contracting determinations in its 2012 RPS procurement plan</p>	<p>n/a</p>
<p>A detailed list of the RPS procurement authorizations and processes that support SDG&amp;E's plans to acquire RPS-eligible resources to meet LCR needs</p>	<p>n/a</p>
<p>A methodology for determining least cost/ best fit that includes evaluating and quantifying performance characteristics that vary among resource type (e.g. time to start, output at various times, variable cost, effectiveness in meeting contingencies, etc.)</p>	<p>p. 6</p>
<p>What type of price benchmark will be used in determining cost-effectiveness for resources</p>	<p>p. 6</p>
<p>An explanation for each resource type indicating whether modifications will be made to existing programs or if a new approach will be utilized</p>	<p>n/a</p>
<p>A methodology for determining peak capacity for resources for which there is not a currently approved methodology for determining Net Qualifying Capacity</p>	<p>n/a</p>

A methodology for determining other reliability capabilities (e.g. voltage support) for resources for which there is not a currently approved methodology for determining these capabilities	n/a
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