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)

REPLY OF THE PROTECT OUR COMMUNITIES FOUNDATION TO THE JOINT RESPONSE OF SDG&E AND SCE TO POC'S PETITION FOR MODIFICATON OF DECISION 14-03-004

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I. INTRODUCTION

Pursuant to Rule 16.4 of the Commission's Rules of Practice and Procedure and ALJ Gamson's June 27, 2014 Email Ruling granting POC permission to file this Reply, the Protect Our Communities Foundation ("POC") hereby submits the following Reply to the Joint Response of San Diego Gas & Electric and Southern California Edison to POC's May 22, 2014 Petition For Modification of Decision 14-03-004. This Reply is timely filed under ALJ Gamson's June 27, 2014 ruling, which granted POC leave to file its Reply no later than July 7, 2014.

II. POC'S PETITION FOR MODIFICATION PROVIDES AMPLE BASIS FOR MODIFYING D.14-03-004

SCE and SDG&E claim that the Commission should reject POC's Petition For Modification ("PFM") because it provides no basis for modifying the Decision other than re-

argument of positions taken in its Opening and Reply Briefs, including portions which the Commission struck.[1]

This argument has three fatal flaws. First, the claim that POC's PFM is limited to re-arguing positions taken in POC's Briefs is simply incorrect. POC's PFM contains detailed argument regarding the flawed methodology used by D.14-03-004 to discount preferred resources;[2] the Decision's failure to fully count Demand Response;[3] the Decision's failure to fully count Energy Efficiency;[4] the Decision's failure to fully count PV resources;[5] the Decision's failure to fully count Energy Storage resources;[6] the availability of various transmission resources;[7] the appropriate rating for Path 44;[8] and the Decision's authorization of procurement through bilateral contracts.[9] None of these issues were addressed in POC's Opening Brief and Reply Brief.

Second, significant changes in statutes that directly affect the issues and procurement resources considered by the Commission in this LTPP proceeding should have been taken into consideration by the Commission in this proceeding. The state laws at issue were enacted during the proceeding and took effect before the Commission's vote on the Decision in March 2014.

Third, the validity of the points raised in POC's PFM has been confirmed by new information provided by SDG&E subsequent to the Decision and by ISO decisions concerning transmission resources. This new information constitutes material changes in fact that the Commission should review by means of this PFM. Both the severe shortcomings in SDG&E's

[1] SDG&E and SCE Joint Response, p. 15
[2] POC PFM, pp. 5-8
[3] POC PFM, pp. 8-10
[4] POC PFM, pp. 10-12
[5] POC PFM, pp. 12-16
[6] POC PFM, pp. 16-18
[7] POC PFM, pp. 21-23
[8] POC PFM, pp. 33-35
[9] POC PFM, pp. 37-38

procurement plans filed pursuant to D.14-03-004, and the Energy Division's post hoc creation of an inadequate "informal" process to consider that procurement plan, clearly demonstrate that POC's PFM should be granted. SDG&E's actions demonstrate that the PFM is timely, relevant and should be granted to correct the deficiencies shown by the content of SDG&E's procurement plan. Thus SDG&E and SCE are incorrect in asserting that nothing has changed and no justification exists for POC's Petition.[10]

III. THE COMMISSION MUST CONSIDER RESOURCES NOT INCLUDED IN THE SCOPING MEMO ASSUMPTIONS

POC's PFM establishes that D.14-03-014 erred in failing to fully account for Energy Efficiency ("EE"), Energy Storage ("ES"), Solar Photovoltaic (" Solar PV"), Demand Response ("DR"), and certain transmission assets. SDG&E and SCE object to these arguments on the grounds that in the Scoping Memo the Commission adopted assumptions regarding these assets for CAISO to model at the beginning of the proceeding, and that the evidentiary record for this proceeding includes CAISO's modeling using these assumptions.[11]

These objections are factually incorrect. SDG&E and SCE have significantly misstated the arguments presented in POC's Petition for Modification, directing their objections to a straw man version of POC's position. Contrary to SDG&E and SCE's claims, POC's PFM does not assert "that certain assumptions about [these assets] were inconsistent with the evidentiary record, law, and Commission practice."[12] Rather, the PFM clearly addresses EE, ES, Solar PV, DR, and transmission assets that were raised by parties but were *not* included in the modeling

[10] In addition, in asserting that a lack of novel arguments in a PFM is grounds for dismissing the PFM, the Joint Parties have created an entirely new and unsupported requirement out of whole cloth. There is no statutory basis for claiming that PFMs are required to present novel arguments. Nothing in the Commission's Rules of Practice and Procedure requires that Petitions for Modification present novel arguments.
[11] Joint Response at pp. 3-4
[12] Joint Response, p. 3

assumptions used by CAISO.[13,14] Thus, SDG&E and SCE's objections are irrelevant, as the fact that the Commission adopted modeling assumptions has nothing to do with the validity and reasonableness of resources not even considered in the assumptions and modeling.

A. The Commission Cannot Ignore Directly Applicable California Law Enacted During the Proceeding In Favor of Relying on Track 4 Assumptions Adopted at the Start of the Track 4 Proceeding

POC's PFM argues that 770 MW of solar PV and 745 MW of energy storage resources identified by parties but not included in the assumptions or modeled by CAISO are mandatory targets set by – or adopted pursuant to – statute.[15] The new laws are directly relevant to the outcome of the proceeding. As legally mandatory targets, these resources are required to be in place, and as such must be fully accounted for by the Commission when the Commission considers procurement resources in its LTPP proceeding.

New behind-the-meter rooftop PV and energy storage mandates became California law in early October 2013,[16] prior to the Track 4 hearings in late October 2013 and five months before the Commission approved the Track 4 Final Decision.[17] These mandates could not have been addressed at the time the Revised Scoping Memo was issued in May 2013, as they did not exist at that time. SCE's and SDG&E's assertion that the assumptions in the Scoping Memo are inviolate is not supported by the record nor by these new statutory mandates. Acknowledgment of the October 2013 statutes, that expanded rooftop solar targets to add 770 MW of additional on-peak rooftop solar capacity in the LA Basin and SDG&E territory by mid-2017, and 745 MW

[13] D.14-03-004, p. 73
[14] POC PFM, p. 6
[15] POC PFM at pp. 14-16 (Solar PV); 16-18 (Energy Storage)
[16] Assembly Bill 327, approved and filed on October 7, 2013
[17] D.14-03-004 was voted on and approved by the Commission on March 13, 2014

of energy storage in the 2020-2024 timeframe, would eliminate the need for the SCE (500 to 700 MW) and SDG&E (600 to 800 MW) procurement authorizations in the Track 4 final decision.[18]

In light of the statutory solar PV and energy storage targets, SDG&E and SCE's objection to POC's arguments regarding solar PV and energy storage on the grounds that *some* values for solar PV and energy storage were adopted in the Scoping Memo and modeled by CAISO is untenable. SCE/SDG&E assert that the Commission's customary practice of defining all parameters in the Scoping Memo at the inception of the proceeding should negate California law established during the course of the proceeding.[19] Commission custom in setting and abiding by initial assumptions in a proceeding does not trump the enactment of new California statutes directly applicable to this proceeding. This Commission is bound by the California Constitution to follow duly enacted statutes that directly affect the Commission's statutory mandates. Both AB 327, which sets expanded solar PV targets, and the Commission's Energy Storage Decision, which establishes energy storage targets that are mandatory under AB 2514, took effect and bound the Commission prior to its Final Decision on March 13, 2014. Thus, the Decision's failure to consider and incorporate the new statutory mandates is in error and POC's Petition for Modification should be granted to incorporate the new statutory mandates into the Commission's procurement decision and methodologies. The Commission's failure to consider the new statutory mandates is especially glaring because the Decision at issue involves procurement for the next ten years, a time period clearly covered by the new statutory mandates.

Further, SDG&E and SCE's argument that "standard Commission practice" is to "fix" assumptions at a certain date in time; that the appropriate date for the Commission to "fix" the assumptions is the date they were adopted in the Track 4 Scoping Memo; and that once these

[18] POC Petition for Modification, pp. 15-16.
[19] Joint Response, p. 5

assumptions are "fixed," they become inviolate, and all contradictory evidence, new information, and changed circumstances must be ignored, is clearly in error. Treating planning assumptions regarding important issues of fact (such as the amount of energy storage or solar PV available to reduce LCR need in the SONGS area) as "inviolate," and failing to consider evidence that contradicts these assumptions, or new information and changed circumstances that emerge after the assumptions are "fixed," would violate the Commission's regulatory mandate and parties' due-process rights.

B. The Commission Cannot Exclude Naturally-Occurring Energy Efficiency Savings

SCE/SDG&E are in error in stating that the Commission incorporated 576 MW of naturally-occurring energy efficiency in the Revised Scoping Memo for the Track 4 proceeding.

The Revised Scoping Memo identifies: 1) 556 MW of incremental EE savings in SCE territory in 2018, and 973 MW in 2022, and 2) 99 MW of incremental EE savings in SDG&E territory in 2018, and 187 MW in 2022.[20] These are the incremental EE savings for electricity, low savings case, not including naturally-occurring EE savings, identified in the CEC's "*Energy Efficiency Adjustments for a Managed Forecast*." This Forecast details how the CEC calculated and used EE in the California Energy Demand 2012 -2022 Final Forecast that the Commission relied on for the 2018 and 2022 incremental EE savings identified in the Track 4 Scoping Memo.

Naturally-occurring EE savings are a distinct line item in the Forecast, separate from the incremental uncommitted EE savings totals. The Forecast lists 591 MW naturally-occurring energy efficiency savings in SCE territory in 2022, and 123 MW in SDG&E territory in 2022. SCE's LA Basin represents about 76.7 percent of peak demand in SCE territory.[21] Therefore the

[20] Revised Scoping Memo, Attachment A, p. 4.

[21] Ibid, Attachment A, p. 4. Ratio of 2022 LA Basin incremental uncommitted savings to SCE incremental uncommitted savings: 746 MW ÷ 973 MW = 0.7667 (76.7 percent).

2022 naturally-occurring energy efficiency savings in SCE's LA Basin and SDG&E territory = (591 MW × 0.767) + 123 MW = 453 MW + 123 MW = 576 MW.

The Forecast is explicit that the naturally-occurring energy efficiency savings are not included in the incremental uncommitted EE savings totals, and only the incremental uncommitted EE savings totals are used in the Scoping Memo. This is exactly what the quote used by SCE/SDG&E in the response to the POC PTM, which was taken from the SCE Reply Brief, states:

> For the sake of completeness, naturally occurring savings corresponding to the measures that make up incremental uncommitted efficiency, net of savings not related to programs or codes and standards included in *CED 2011* (price effects), are included as line items in the detailed results for electricity *but are not included in the incremental uncommitted totals.*[22]

SCE/SDG&E are wrong to assert that naturally-occurring EE savings are included in the incremental uncommitted EE savings totals used in the Scoping Memo. Because the Commission itself recognized that it was exempting naturally-occurring EE in its assumptions and calculations in this proceeding, the PFM should be granted and the Decision changed to reflect the additions to available EE resources accordingly.

C. There Is No State Water Resources Control Board (SWRCB) Requirement that OTC Power Plants Retire in Southern California

SCE/SDG&E's position that the State Water Resources Control Board's ("SWRCB") policies require significant additional retirements of OTC plants is unwarranted. The SWRCB OTC Policy *does not* require the retirement of any OTC plant. Rather, it requires that OTC

[22] Joint Response, p. 16 (*emphasis added*)

plants enact mitigation measures to reduce their intake flow rate to reduce impacts on marine fauna.[23] The OTC Policy does not require plant retirement as the sole means of compliance.[24]

Further, in the Decision, the Commission refused to reconcile or even address the positive consequences of the closure of SONGS on SWRCB OTC policy objectives for Southern California. The SWRCB compliance target is a minimum 93 percent reduction in intake flow rate for each unit, equivalent to a level that can be attained by a closed-cycle wet cooling system, compared to the unit's design intake flow rate (Track 1), or if Track 1 controls are demonstrated to be infeasible, a "comparable level" of control using operational or structural controls that achieves at least 90 percent of the reduction in impingement and entrainment mortality (Track 2).[25] The SWRCB public policy objective was achieved nearly ten years early in Southern California with the June 2013 retirement of SONGS (SONGS OTC compliance date was December 31, 2022). SONGS represented 90 percent of once-through cooled power plant water withdrawals in Southern California.[26] Thus, compliance with OTC public policy objectives in Southern California has been achieved ten years early with the permanent retirement of SONGS.

The projected need for the SCE/SDG&E procurement authorizations is based on the presumed retirement of all 4,900 MW of existing OTC power plant capacity in the LA Basin and SDG&E territory over the next several years, as made clear in Findings of Fact 6 and 7.[27]

> 6. Starting in 2015, around 4,900 MW of OTC plants in the local transmission-constrained areas of the LA Basin local area may retire over the next several years, as well as other OTC plants in the San Diego local areas, because of State Water Resources Control Board regulations.
>
> 7. The ISO modeled retirement of OTC plants in the SONGS study area, along with the retirement of SONGS, to produce an analysis of need for the area.

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[23] SWRCB, *Proposed Amendment to the Water Quality Control Policy on the Use Of Coastal and Estuarine Waters for Power Plant Cooling*, June 18, 2013 (adopted in SWRCB Resolution No. 2013 -0018), p. 4
[24] Id.
[25] Id. at p. 4.
[26] POC PFM, p. 24.
[27] D.14-03-004, Finding of Fact 6, p. 124.

These findings are not supported by the record. No further compliance is needed to achieve the overall objective of the SWRCB OTC policy, at least a 90 percent of the reduction in impingement and entrainment mortality caused by OTC withdrawals, in Southern California on a region-wide basis.

The 2013 SONGS retirement met the SWRCB policy objective for all of Southern California ten years prior to the OTC phase-out compliance date for SONGS. Extending the compliance dates of some Southern California natural gas-fired OTC plants would not undermine the SWRCB OTC policy objective in Southern California.

Also, as both SCE and SDG&E are fully aware, the remaining OTC natural gas-fired plants also have low-cost alternatives to retirement, either the addition of cooling tower(s), or use of operational or structural controls, that would allow these plants to meet the SWRCB policy objective on an individual plant basis. The POC PFM should be granted because there is no policy basis for presuming that 4,900 MW of existing Southern California natural gas-fired OTC plants will retire over the next several years.

IV. THE COMMISSION INAPPROPRIATELY DEFERRED TO CAISO ON THE APPLICABLE RELIABILITY STANDARD IN MAKING ITS DECISION

As POC established in its PFM, the Commission erred in relying on CAISO's modeling to determine the LCR for the SONGS area.[28] CAISO's modeling was driven by the use of a Sunrise Powerlink / Southwest Powerlink N-1-1 (overlapping outage) event as the limiting critical contingency for the SONGS Area. The use of N-1-1 as the critical contingency for the SONGS area is unreasonable in light of the availability of an official WECC process for recategorizing contingencies, the high likelihood that a recategorization application for the

[28] POC PFM, pp. 25-33

Sunrise/SWPL N-1-1 would be successful, and the potential multi-billion dollar savings to ratepayers that would result from such a recategorization.

SDG&E and SCE object to POC's argument on the grounds that the determination of the limiting contingency under legally mandatory NERC/WECC reliability standards is an objective factual determination, not a subjective decision.[29] For the reasons set forth below, SDG&E and SCE's arguments are in error.

A. CAISO's use of the Sunrise/SWPL N-1-1 as the limiting contingency was a subjective and discretionary decision

SCE and SDG&E's argument that the determination of the limiting contingency is not a subjective decision made by CAISO is false and misleading for several reasons.

CAISO's adoption of N-1-1 as the limiting contingency was driven by the subjective decision to rely on "*the current deterministic approach* to contingency analysis." SCE and SDG&E state:

> Under the current deterministic approach to contingency analysis, every conceivable N-1, G-1/N-1 and N-1-1 overload must be studied and mitigated, regardless of the probability of its occurrence. The "worst" contingency – i.e., the contingency that results in the most severe system impact – becomes the "limiting" contingency that is used in the long term planning context to determine whether additional resources and/or system enhancements are required in order to preserve system reliability.[30]

The record for the proceeding contains no evidence or citation establishing that the "current deterministic approach" has any legal or formal regulatory basis. CAISO's decision to rely on the "current deterministic approach" is not an objective factual decision, nor a decision driven by mandatory requirements, but instead was a subjective, discretionary decision.

CAISO and the utilities made the subjective, discretionary decision to ignore the availability of the WECC Probabilistic Based Criteria Review ("PBRC") process. As POC

[29] Joint Response, pp. 8-10

[30] Joint Response, p. 8

established in the PFM, the PBRC process is an official WECC process that allows for the re-categorization of a specific contingency based on that contingency's individual probability of occurring.[31]

Strong *prima facie* evidence in this proceeding establishes that the specific Sunrise/SWPL N-1-1 event is sufficiently improbable to justify its recategorization from a WECC "Category C" event to a "Category D" event. If so recategorized, the Sunrise/SWPL N-1-1 would not need to be mitigated, and thus would not need to be used as the limiting contingency. This evidence includes SDG&E's December 2007 PBRC Application for recategorization of a nearly identical N-2 event involving the same two lines, which was granted by WECC.[32]

In 2007, SDG&E used the WECC Performance Category Upgrade Request probability analysis procedure to re-categorize the Sunrise Powerlink-SWPL simultaneous outage (N-2) from a generic, deterministic Category C event that must be mitigated per NERC standards to a specific probabilistic Category D event that does not need to be mitigated per NERC standards.[33] The reason that SDG&E invested time, effort, and money into this WECC-approved probabilistic analysis in 2007 was to reinforce the reliability justification for the Sunrise Powerlink at a time when the Commission was considering approval of this $2 billion transmission line.[34] As the Commission stated in the Sunrise Powerlink December 18, 2008 final decision:[35]

> SDG&E filed a Performance Category Upgrade Request (Request) with WECC Reliability Performance Evaluation Work Group (WECC Reliability Work Group) on December 19, 2007, about a year after it filed the 2006 Application.
>
> SDG&E was concerned that WECC would rate any line parallel to the Southwest

[31] POC PFM, pp. 28-30
[32] Exhibit POC X CAISO 3
[33] POC Reply Brief, p. 5.
[34] POC Opening Brief, p. 6.
[35] Sunrise Powerlink Decision, D. 08-12-058, p. 213.

> Powerlink past that milepost (Milepost 36) as a Category C line, and SDG&E wanted the Proposed Project to obtain a Category D rating, which because it represents a higher measure of reliability, might provide further justification for the line.

For SCE, SDG&E, and CAISO, the current situation is the reverse of the Sunrise Powerlink proceeding where the objective of a re-categorization of the Sunrise Powerlink-SWPL outage from Category C to Category D was to reinforce the reliability benefits of the proposed Sunrise Powerlink. In Track 4, SCE/SDG&E and CAISO are trying to *avoid* a probabilistic analysis of the Sunrise Powerlink-SWPL sequential outage (N-1-1),[36] knowing that such a reclassification from a generic deterministic Category C event to a specific probabilistic Category D event would nullify the Track 4 procurement authorization for up to 1,500 MW of new procurement.

There is no reason to believe that a sequential outage of Sunrise Powerlink-SWPL would be any more likely to occur than a simultaneous outage of Sunrise Powerlink-SWPL. TURN addresses this issue in its Opening Brief, stating:[37]

> While it may be theoretically conceivable that an N-1-1 outage would have a higher probability than an N-2 outage, TURN is not aware of any evidence in the record to support basing the Commission's own decision on such a theoretical possibility.

No analysis of the probability of a Sunrise Powerlink-SWPL N-1-1 event occurring were offered by SCE or SDG&E to refute the observation by TURN. Despite its testimony on the one hand that the probability of a Sunrise Powerlink-SWPL N-1-1 event did not matter, CAISO apparently felt compelled to offer some statement on the probability of the Sunrise Powerlink-SWPL N-1-1 actually occurring. CAISO offered only contradictory anecdotal opinion to support

[36] Definition of N-1-1: Outage of 2nd line occurs within 30 minutes of outage of first line, with time between outages to allow for system readjustment.
[37] TURN Opening Brief, FN 37, p.12

its position that a Sunrise Powerlink-SWPL N-1-1 event would be more likely to occur than a Sunrise-SWPL N-2 event. Illogically, CAISO used probability ranges from the 2007 SDG&E Performance Category Upgrade Request – used by SDG&E to successfully re-categorize the Sunrise Powerlink-SWPL simultaneous outage from Category C to Category D – to assert that a Sunrise Powerlink-SWPL N-1-1 sequential outage was sufficiently probable to warrant a Category C classification.[38]

B. The PBRC Process is available to re-categorize the Sunrise/SWPL N-1-1

SCE and SDG&E further assert that "POC's argument ignores testimony to the effect that the WECC is moving away from making the type of probabilistic exception to a deterministic category that POC proposes."[39] This assertion is incorrect. POC's PFM directly addresses the testimony in question:

> In relying on Sparks' claim that "WECC is moving to eliminating the process altogether" the Decision ignores the fact that, when questioned, Sparks was unable to substantiate this claim with any specific information beyond the vague claim that "the general population of WECC is moving to eliminate this process."[40]

C. The Commission's deference to CAISO violates its statutory duty to ensure just and reasonable rates

The Commission has the authority and the duty to deny rates that are not just and reasonable. In light of the strong evidence regarding WECC Performance Category Upgrade Request procedure, which SDG&E has already used to re-categorize the specific Sunrise

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[38] POC PFM, p. 31. CAISO witness Sparks proffered a probability range for the Sunrise/SWPL N-1-1, referencing the 21 years to 928 years probability of occurrence from the December 2007 SDG&E probabilistic study that was used by SDG&E to reclassify the original Sunrise/SWPL route N-2 from Category C to Category D. The 21 years to 928 years probability of occurrence was incorporated into Finding of Fact 24 as the factual basis for establishing that the Sunrise/SWPL N-1-1 is a probabilistic Category C event. However, the study CAISO referenced for this probability range is the December 19, 2007 probabilistic analysis conducted by SDG&E as a component of an application by SDG&E to WECC to modify the simultaneous outage of Sunrise Powerlink and SWPL (N-2) from Category C to Category D.

[39] Joint Response at p. 10

[40] POC PFM at p. 29

Powerlink-SWPL simultaneous outage from Category C to Category D, the Commission must directly weigh the small cost of conducting a probabilistic study and seeking recategorization of the Sunrsise/SWPL N-1-1 against the up to 1,500 MW of new procurement driven by the use of this N-1-1 event. This level of procurement, if it consists exclusively of natural-gas fired peaker plant generation, is equivalent to approximately $8 billion in total investment in current dollars.[41]

III. THE DECISION INAPPROPRIATELY AUTHORIZED PROCUREMENT THROUGH BILATERAL CONTRACTS

After the Decision, SDG&E's submission of its procurement plan demonstrates the appropriateness of changing the Decision to close the loophole SDG&E used to subvert the intent of the Decision.

The May 2014 SDG&E procurement plan belies the arguments advanced by SCE/SDG&E in favor of use bilateral contracts to achieve the procurement objectives in the Track 4 final decision in their joint response to the POC PTM. D.14-03-004 requires that SDG&E use an all-source Request for Offers (RFO) as the mechanism to select some or all of the new resources authorized in its SDG&E territory.[42] The purpose of mandating use of the all-source RFO is to allow preferred resources such as EE, DR, and energy storage, to compete with conventional generation for new procurement authorizations. In response, SDG&E proposes a bilateral contract with NRG to locate the entirety of its 600 MW minimum procurement authorization at the location of the existing Encina power plant. Through this one bilateral contract, 100 percent of SDG&E's minimum procurement authorization under Track 4 is consumed by a natural-gas fired conventional generator. In contrast, approximately 75 percent of the new capacity that came online in June 2013 – May 2014 twelve-month period under contract

[41] POC Opening Testimony, p. 5. 305 MW Pio Pico = $1.6 billion. Therefore, the cost of 1,500 MW of procurement would be, extrapolating from the cost of Pio Pico: (1,500 MW/305 MW) x $1.6 billion = $7.9 billon.
[42] D.14-03-004, Ordering Paragraph 6, p. 144

to SCE and SDG&E was renewable capacity, primarily solar capacity, with the remaining 25 percent being natural gas-fired capacity.[43] The attempt by SDG&E to fill its entire minimum authorization under Track 4 with gas-fired generation underscores the importance of requiring an all-source RFO for all SDG&E procurement under Track 4.

IV. THE COMMISSION INAPPROPRIATELY REJECTED POC'S MOTION FOR OFFICIAL NOTICE AND INAPPROPRIATELY STRUCK PORTIONS OF ITS BRIEFS

As explained in the POC PFM, the PBRC process documents identified as POC-4, POC-5 and POC-6 are official WECC documents setting forth an official WECC policy and as such are noticeable and may be cited as authority.[44] SDG&E and SCE's arguments to the contrary are in error. SCE and SDG&E err in arguing that SDG&E witness Jontry's claim that the PBRC process "doesn't really apply to the N-1-1" contingency establishes that the PBRC documents are not relevant and noticeable.[45] As POC clearly established in its PFM, Jontry's claim is contradicted by the testimony of CAISO witness Sparks, and is unsupported by any documentary evidence or citation to WECC policy.[46]

SCE and SDG&E also err in claiming that the WECC document identified as POC-6 is a whitepaper issued for guidance without the force and effect of law. The POC-6 document is the official WECC document setting forth the PBRC process, and is categorized by WECC and publically available under WECC's "Miscellaneous Operating and Planning Policies and Procedures."[47]

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[43] POC PFM, p. 19

[44] POC PFM, p. 39

[45] Joint Reply, p. 14

[46] POC PFM, p. 41

[47] Attachment A

VII. CONCLUSION

For the reasons set forth above, SDG&E and SCE's Response does not present valid grounds for partially or fully rejecting POC's PFM. POC respectfully requests that the Commission grant its PFM and modify D.14-03-004 to correct the errors contained therein.

Respectfully Submitted,

Dated: July 7, 2014

/S/

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