

R.04-04-003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Promote Policy and
Program Coordination and Integration in Electric Utility
Resource Planning.

RULEMAKING 04-04-003
(Filed April 1, 2004)

**Pre-Workshop Comments of the San Diego Association of Governments
(SANDAG) Energy Working Group (EWG) on Assigned Commissioner's Ruling
Regarding Next Steps in Procurement Proceeding in 04-04-003**

San Diego Association of Governments

December 13, 2005

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1 INTRODUCTION

The San Diego Association of Governments (SANDAG) Energy Working Group (EWG) respectfully submits these pre-workshop comments in response to the December 2, 2005, Assigned Commissioner Ruling (ACR) by Michael R. Peevey setting forth proposed goals and procedural steps for the 2006 Long-Term Procurement proceeding (LTPP), and seeking parties' comments on the proposal and the attached staff-prepared initial work plan for the proceeding.

The SANDAG EWG, of which SDG&E is a member, is generally pleased with the structure of the Commission's 2006 submittal process, in particular its attention to Integrated Resource Planning (IRP), implementing the preferred loading order, and holding workshops on draft plans prior to final submission. The EWG believes these steps will enable local stakeholders to better participate in long term resource planning (LTRP).

2 BACKGROUND

SANDAG filed comments at the end of the 2004 LTPP process and stated its intention to be actively involved from the beginning of the 2006 LTPP process to ensure that the interests of the region were better incorporated in the utility's required long term plan.¹ As such, the SANDAG EWG's highest priority task is to develop and execute a community-based process to update the

¹ Comments of the San Diego Association of Governments in Response to the Commission's Opinion Adopting PG&E, SCE, and SDG&E's Long Term Procurement Plans, filed December 6, 2004 in rulemaking R.04-04-003.

region's LTRP in 2006 in partnership with San Diego Gas & Electric. The purpose of this collaboration is to ensure that SDG&E's LTRP works in concert with the Regional Energy Strategy (RES).²

SANDAG has conducted several activities in preparation for participation in 2006 LTRP process, including:

- Evaluation of SDG&E 2004 LTRP;
- Review of PacifiCorp Resource Planning process;
- Comparison of San Diego Regional Energy Strategy, Regional Energy Infrastructure Study, and SDG&E 2004 LTRP;
- Development of detailed work plan for EWG LTRP process;
- Reassessment of San Diego Regional Energy Strategy Guiding Principles;
- Acquisition of a resource inventory tool;
- Hiring of two UCSD seniors in mechanical engineering and mathematics to work on dynamical LTRP model with EWG and SDG&E;
- Tracking of Integrated Energy Policy Report (IEPR) process;
- Attendance at selected IEPR workshops regarding the preferred loading order, resource planning, electricity demand forecasts, and the Border;
- Providing comments to CEC Commissioners at two IEPR workshops; and
- Development of an IEPR Resource Guide to serve as a tool for SANDAG EWG involvement.

3 COMMENTS ON INTEGRATED RESOURCE PLANNING IN THE ACR

SANDAG is pleased that the Commission is calling for more integrated resource planning (IRP).

IRP will be the primary forum for considering resource alternatives, and plans will be reviewed in the context of existing procurement policies (including policy targets and constraints), resource planning trade-offs, the loading order and the least cost/best fit criteria. Plans will include analysis of the trade-offs between transmission and generation, as well as different resource types, bearing in mind policy, availability, the loading order, and least-cost best fit.

² RES is available at: www.sdenergy.org/uploads/Regional_Energy_Strategy_Final_07_16_03.pdf

Once adopted, procurement plans will become the basis for numerous future infrastructure Applications.³

SANDAG believes that integrated resource planning can address the community's strong desire to be actively involved in energy planning that has long-term impacts on the economy and environment. SANDAG EWG recommends that the Commission elaborate on the IRP component prior to the late February workshop and require additional local forums to vet resource plan development and resource trade-offs. SANDAG would like work to with the Commission and SDG&E to serve as that venue for the San Diego region.

4 QUESTIONS FROM APPENDIX A

4.1 ACR Question: How can the Commission establish a process for implementing integrated resource planning as part of the long-term procurement planning proceeding?

SANDAG recommends that the Commission establish working relationships with regional energy planning groups like the SANDAG EWG in order to better implement IRP. To further enhance regional community participation in this process, SANDAG requests that the CPUC cosponsor local workshops throughout the development of the LTPP and well before the IOU submittals. SANDAG proposes to co-host such workshops to provide a forum in the San Diego region for community based LTPP.

The SANDAG EWG is also open to serve as a pilot case for how the Commission and a utility can implement a community-based integrated resource plan. This effort for the 2006 submittal could serve as a model for future LTPP submittals across the state.

³ ACR, page 6.

4.2 ACR Question: What should be the content (and organizational structure) of the resource plans?

In addition to ensuring that state laws and policies are addressed, SANDAG would emphasize to the Commission that long-term procurement planning process include a regional perspective to address LTPP consistency with regional energy policies like the Regional Energy Strategy.

4.3 ACR Question: What should the basis be for the review of plans submitted to the Commission? What should the evaluation metrics be and how should they be established?

If the LTPP is to be an integrated resource plan, SANDAG again recommends the Commission add a metric on the adherence to regional energy policies. An IRP must address the needs and policy direction of the community while meeting the requirements of the state.

5 NEED FOR SUFFICIENT NOTICE OF RULEMAKING COMPONENTS

With regard to the proposed schedule and activities, such as a 2-day workshop on IRP in late February 2006, SANDAG requests that as much notice as possible be given on workshop dates and the availability of pre-workshop materials. SANDAG would like to actively participate in this proceeding, but it must do so while adequately adhering to its policies. SANDAG needs time to properly docket and notice agenda items related to the LTPP and then have adequate time to receive input from the local governments and stakeholders. SANDAG also needs sufficient time to prepare for workshops and participate effectively on a limited budget with limited staff resources. As much notice and lead time as possible would be of great benefit. The co-hosting of additional regional workshops would be beneficial to local participation and SANDAG welcomes the Commission's involvement in this matter.

6 EVALUATION OF THE 2006 LTPP PROCESS

In addition to the scope of activities outlined in the December 2 ACR, SANDAG recommends the Commission include an evaluation of the 2006 process after the IOUs have

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submitted their filings to the CPUC. Commission staff could conduct a post-submittal interview of the local community groups involved in the IRP process. The purpose would be to identify positive and negative aspects of integrated resource planning and assess measures to improve on the process in the next LTPP cycle.

7 CONCLUSION

SANDAG appreciates this opportunity to provide feedback on the process for the 2006 LTPP proceeding and looks forward to working with SDG&E and the CPUC staff to better realize an integrated resource plan for the San Diego region. We look forward to participating in this process to implement the loading order and realize our Regional Energy Strategy goals.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of these Pre-Workshop Comments of the San Diego Association of Governments (SANDAG) Energy Working Group (EWG) on Assigned Commissioner's Ruling Regarding Next Steps in Procurement Proceeding in 04-04-003 on all known parties of record in this proceeding by delivering a copy via email to the current service list.

Executed on December 13, 2005.

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