

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue	)	
Implementation and Administration of	)	Rulemaking 11-05-005
California Renewables Portfolio Standard	)	(Filed May 5, 2011)
Program.	)	

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**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) 2012 PRELIMINARY  
ANNUAL 33% RPS COMPLIANCE REPORT**

**(CONFIDENTIAL VERSION)**

JENNIFER TSAO SHIGEKAWA  
CATHY A. KARLSTAD

Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-1096  
Facsimile: (626) 302-6962  
E-mail: Cathy.Karlstad@sce.com

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Pursuant to Decision (“D.”) 12-06-038, Southern California Edison Company (“SCE”) respectfully submits its 2012 Preliminary Annual 33% Renewables Portfolio Standard (“RPS”) Compliance Report (“RPS Compliance Report”). In D.12-06-038, the California Public Utilities Commission (“Commission” or “CPUC”) directed all retail sellers to submit an annual RPS compliance report on August 1 of each year.<sup>1</sup>

**I. RPS COMPLIANCE REPORT AND PROJECT DEVELOPMENT STATUS  
REPORT SPREADSHEETS**

SCE’s RPS Compliance Report spreadsheet is included as Appendix A and SCE’s Project Development Status Report spreadsheet is included as Appendix B. Both spreadsheets use the templates issued by the Energy Division. Additionally, the information included in SCE’s RPS Compliance Report and Project Development Status Report spreadsheets is stated based on information and belief.

**II. SITING AND PERMITTING STATUS OF PROJECTS IN DEVELOPMENT**

The RPS Compliance Report Reporting Instructions issued by Energy Division (“Reporting Instructions”) require retail sellers, pursuant to Public Utilities Code Section

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<sup>1</sup> See D.12-06-038 at 102-103 (Ordering Paragraph 34).

399.13(a)(3), to provide the status of any necessary siting and permitting approvals from federal, state, and local agencies for those eligible renewable energy resources procured by the retail seller that have not yet attained their commercial on-line dates. SCE has 189 RPS-eligible projects under contract that are in various stages of development. The status of siting and permitting for each of these eligible renewable energy resources is provided in the Siting and Permitting Status Table attached as Appendix C.

### **III. PROCUREMENT OF ELIGIBLE RENEWABLE RESOURCES LOCATED OUTSIDE OF CALIFORNIA**

In accordance with Public Utilities Code Section 399.13(a)(3), the Reporting Instructions require identification of all procurement from eligible renewable energy resources located outside California and within the Western Electricity Coordinating Council during the year covered by this RPS Compliance Report (i.e., 2012). Below, SCE includes its procurement from contracts with such resources for 2012.

#### **Procurement from Out-of-State Renewable Resources**

<b><u>Out-of-State Contracts</u></b>	<b><u>Project Location</u></b>	<b><u>2012 Procurement</u></b>
North Hurlburt Wind, LLC	Arlington, OR	512,180
South Hurlburt Wind, LLC	Arlington, OR	396,098
Horseshoe Bend Wind, LLC	Arlington, OR	362,839
Goshen Phase II LLC	Idaho Falls, ID	368,925
PacifiCorp	Various Locations, ID, OR, WA, WY	327,783
Total (MWh)		1,967,825

\* Out-of-state renewable resources are resources located outside California and not directly connected to a California Balancing Authority

### **IV. PROCUREMENT OF UNBUNDLED RENEWABLE ENERGY CREDITS**

The Reporting Instructions also require identification of all procurement of unbundled renewable energy credits (“RECs”) during the year covered by this RPS Compliance Report (i.e., 2012). SCE procured no unbundled RECs in 2012. Moreover, SCE has not executed any contracts for future delivery of unbundled RECs. SCE may procure unbundled RECs in the future; however, SCE cannot identify the potential future source(s) of any such unbundled RECs at this time.

## **V. RECOMMENDATIONS FOR REMOVING IMPEDIMENTS TO MAKING PROGRESS TOWARD ACHIEVING THE 33% RPS GOAL**

As provided in Public Utilities Code Section 399.13(a)(3), the Reporting Instructions request recommendations for removing impediments to making progress toward achieving the renewable energy goals established by statute and implemented by Commission decision. California and SCE have made significant progress toward those goals. Today, the State enjoys a mature renewables market where contracting opportunities abound. Existing procurement programs sufficiently support the development of renewable energy in the State. With a robust market for renewable energy already established, additional subsidies and incentives are neither appropriate, nor necessary.

Nevertheless, some regulatory and procedural barriers remain that can impede the achievement of the State's 33% RPS goal. In this section, SCE describes six barriers: (1) regulatory uncertainty and inflexibility; (2) permitting, siting, approval, and construction of both transmission and renewable generation projects; (3) a heavily subscribed interconnection queue; (4) developer performance issues; (5) renewable resource curtailment; and (6) the increasing proportion of intermittent resources in SCE's renewables portfolio and on the grid. SCE also discusses the steps it has taken to mitigate these challenges and provides some recommendations to remove these impediments.

### **A. Regulatory Uncertainty and Inflexibility Create Procurement Difficulties**

In the past decade, changes to the RPS program have been numerous and significant. From its inception in Senate Bill ("SB") 1078,<sup>2</sup> the RPS program has been changed via SB 107<sup>3</sup> and SB 2 (1x),<sup>4</sup> among other bills. Each of these bills led to multiple implementation decisions

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<sup>2</sup> SB 1078 (Sher), 2002, set a goal for retail sellers to provide 20% of their retail sales from eligible renewable energy resources by 2017.

<sup>3</sup> SB 107 (Simitian), 2006, accelerated the 20% goal to 2010, and also made other changes to the RPS program.

<sup>4</sup> SB 2 (1x), 2011, made numerous changes to the RPS program. Most importantly, in addition to increasing the overall percentage of required procurement from renewable resources from 20% to 33%, SB 2 (1x) departed from the prior structure of annual RPS goals and moved to multi-year compliance periods, with interim procurement targets established for each multi-year compliance period.

by the Commission and other regulatory agencies. In addition to the overall RPS program, several new renewable procurement programs – the Renewable Auction Mechanism (“RAM”) program, SCE’s Solar Photovoltaic Program (“SPVP”), and the Public Utilities Code Section 399.20 feed-in tariffs – have all been developed, implemented, and re-evaluated over the past several years. In this highly regulated, legislated, and politicized environment, it is a near certainty that rules and policies will continue to evolve and change. The constantly evolving rules governing the RPS program creates regulatory uncertainty for all participants in the renewables market. Load-serving entities and renewable developers may hesitate to sign contracts when the rules of the program are continually in flux. Moreover, developers may increase their prices to account for regulatory uncertainty, leading to higher costs for customers.

Despite the rate of change in renewables regulation and legislation, the investor-owned utilities (“IOUs”) are burdened with regulatory inflexibility related to procurement. For example, the IOUs need the ability to make timely changes to their commercial documents to reflect the constant evolution of the renewable energy market. The credit and financing markets can undergo significant changes in the time between the filing and approval of the RPS procurement plans that necessitate changes to the IOUs’ solicitation materials. Changes are also driven by new regulatory and legislative developments. It does not benefit any party to require the IOUs to issue solicitations with stale commercial documents that require substantial modifications before they can be executed. To the contrary, such inflexibility tends to increase transaction costs and commercial disputes, which could result in expensive litigation.

SCE recommends that the Commission consider ways to truly streamline the RPS procurement plan approval process so that IOUs can react more quickly to market and regulatory changes and reflect those changes in their solicitation materials. The proposal to provide the IOUs with a two-year RPS procurement authorization is an excellent step in this direction, and

SCE urges the Commission to adopt the proposal.<sup>5</sup> However, SCE cautions the Commission against imposing restrictions and limitations that will lead to micromanagement of the IOUs' procurement processes with little added benefit. For instance, the Commission should not require that the IOUs follow simultaneous solicitation schedules. The IOUs have different needs and it would benefit both the IOUs' customers and the market to give the IOUs the flexibility to launch RPS solicitations based on need, rather than an arbitrary and inflexible regulatory schedule. The IOUs should also have the flexibility to enter into bilateral RPS transactions, regardless of whether they conduct a solicitation.

**B. Delays in Permitting, Siting, Approval, and Construction of Transmission and Renewable Generation Projects Continue to Be an Impediment in Reaching RPS Goals**

Although the California Independent System Operator ("CAISO") has identified transmission necessary to meet California's 33% RPS goal,<sup>6</sup> the lack of sufficient transmission infrastructure and the prolonged process for permitting and approval of new transmission lines continues to be the most significant impediment to reaching the State's renewable energy targets. In its RPS solicitations, SCE has received relatively few proposals from renewable generators that do not require significant transmission upgrades or new transmission development to deliver the renewable energy. Based on the market response in SCE's RPS solicitations and other renewable programs and perspective gained administering these programs, lack of adequate transmission infrastructure and the lengthy process of siting, permitting, and building new transmission continues to be a real and complicated impediment to bringing new renewable resources on-line.

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<sup>5</sup> See Assigned Commissioner's Ruling Identifying Issues and Schedule of Review for 2013 Renewables Portfolio Standard Procurement Plans Pursuant to Public Utilities Code Sections 399.11 et seq. and Requesting Comments on a New Proposal, May 10, 2013, at 24-28.

<sup>6</sup> See CAISO's 2012-2013 Transmission Plan, March 20, 2013, at 7 (available at: <http://www.caiso.com/Documents/BoardApproved2012-2013TransmissionPlan.pdf>).

The challenges surrounding transmission are only compounded as the State's RPS goal increases from 20% to 33%, which represents a 65% increase in procurement of renewable energy without taking into account load growth,<sup>7</sup> and which "will require an infrastructure build-out on a scale and timeline perhaps unparalleled anywhere in the world."<sup>8</sup>

The long and complicated permitting process for renewable generation facilities is also a barrier to meeting RPS goals. The Commission has observed that most RPS project delays "are due to lack of transmission or generation permitting at the county, state, or federal level."<sup>9</sup> Moreover, environmental concerns, legal challenges, and public opposition can impact the timeline for bringing renewable generation and transmission projects on-line.

Over the past few years, SCE has attempted to expedite the permitting and construction of renewable transmission facilities by: (1) proactively providing the upfront financing for needed transmission network upgrades, (2) seeking authorization to record costs associated with interconnection and environmental studies for renewable projects, (3) providing leadership to the CAISO's reform of the Large Generator Interconnection Procedures, and (4) requesting authority to study the feasibility of developing transmission capacity to deliver output from potential renewable resources.

SCE recommends that the Commission reduce the time required for bringing transmission projects on-line by developing a process in conjunction with the other state agencies responsible for permitting, siting, and approving transmission and renewable generation projects. In doing so, the Commission should focus on refining environmental impact review processes as well as improving mechanisms for managing public opposition.

### **C. Interconnection Reform Will Support the State's Goals**

A heavily subscribed CAISO interconnection queue continues to be a major barrier to achieving the State's RPS goals. As of May 27, 2013, SCE had more than 25,000 megawatts

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<sup>7</sup> If load growth is taken into account, this percentage is even higher.

<sup>8</sup> Renewables Portfolio Standard Quarterly Report at 3 (October 2008).

<sup>9</sup> Renewables Portfolio Standard Quarterly Report at 7 (Q4 2009).

(“MW”) of export capacity seeking interconnection to SCE’s transmission system (under the CAISO Tariff) and distribution system (under SCE’s Wholesale Distribution Access Tariff and Rule 21).

Over the last several years, the CAISO has initiated and obtained Federal Energy Regulatory Commission (“FERC”) approval for several revisions to improve its generation interconnection process, including a fundamental change that integrated the generator interconnection and transmission planning processes, known as the Generator Interconnection and Deliverability Allocation Procedures (“GIDAP”).<sup>10</sup> Under GIDAP, the CAISO’s generator interconnection and transmission planning processes were integrated to allow the CAISO to more efficiently determine transmission upgrades needed to meet California’s RPS goals.

SCE supported GIDAP and believes that it provides a good foundation for improving the queue management process going forward. However, there remain a number of near-term challenges. The large number of interconnection requests, particularly from renewable generators, have presented significant challenges for SCE, the CAISO, and the renewable generators. Generators in this process that have completed their studies, but not signed generation interconnection agreements, contribute to the uncertainty around available system capacity. When capacity is reserved for generators that have not signed interconnection agreements, other potentially more viable later-queued generators can appear to trigger upgrades that may not be necessary. Although protocols exist to allow the removal of languishing generators from interconnection queues, these protocols are difficult to implement because they often lead to litigation.

SCE also played a leadership role in the stakeholder process that led to reforms of Rule 21, which were approved by the Commission in 2012.<sup>11</sup> These reforms support the success of renewable distributed generation by addressing policy and technical issues that are essential to timely, predictable, and transparent processes for interconnection to SCE’s distribution system.

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<sup>10</sup> See FERC Docket No. ER-12-1855-000.

<sup>11</sup> See D.12-09-018.



SCE also continues to take a leadership role in the Commission's Distribution Interconnection Rulemaking (R.11-09-011).

While managing the CAISO interconnection queue is a task for the CAISO, SCE recommends that the Commission and other stakeholders continue to support prudent interconnection reforms, specifically those that seek to clear non-viable interconnection requests from the queue. Further, SCE recommends that the Commission support IOUs' efforts to contract with developers who have already made significant progress toward interconnection. For example, in SCE's 2013 RPS Procurement Plan, SCE has proposed to require that projects have a Phase II Interconnection Study, documentation showing that the project has passed Fast Track screens, or a signed Interconnection Agreement in order to submit a proposal in SCE's 2013 RPS solicitation. This requirement will ensure that both SCE and the developer have more complete information about a project's transmission costs and timelines before negotiating and executing a contract. SCE expects that this screen should help to mitigate the risk of project failure and delay due to interconnection issues.

**D. Strong Developer Performance is Vital to the State Reaching its Renewable Energy Goals**

Achieving California's renewable energy goals is also dependent on the successful performance of renewable developers in meeting contractual obligations, completing construction milestones in a timely fashion, and achieving commercial operation. Hurdles encountered during these activities require developers to alter their milestone schedules, which can result in delays and contract terminations. For example, several of SCE's contracts have terminated due to developer performance issues (e.g., poor site selection, permitting delays, inability to complete CAISO new resource implementation process in a timely manner, etc.). To the extent that delays, termination events, and underperformance occur, the amount of delivered energy on which SCE can rely to reach the State's goals is reduced.

To proactively address developer performance issues, SCE continues to reach out to and communicate with project developers on a regular basis, discuss options and the status of project

development, and provide guidance and direction as appropriate. In response to lessons learned in previous solicitations, SCE has also made several modifications to its solicitation materials. For example, SCE has created an option to have SCE act as scheduling coordinator, allowed for delivery points at the point of interconnection with the transmission provider's electric grid, and tailored certain terms and conditions to address market changes in equipment availability and supply.

Additionally, SCE has worked with developers to overcome local opposition to renewable projects through active education with city governments regarding the State's goals and the importance of renewable energy in California. In order to explain SCE's various renewable contracting opportunities, SCE also continually educates the renewable development community by participating in industry-wide symposiums (e.g., American Wind Energy Association, National Geothermal Summit, Renewable Energy World Conference & Expo North America), hosting bidders' conferences in connection with RPS solicitations and other Commission-approved programs, fielding countless individual inquiries, hosting outreach sessions for diverse business enterprises, and participating in developer forums.

SCE suggests that the Commission approve measures that will help to mitigate developer performance issues. One such measure is SCE's proposal to require that projects have a Phase II Interconnection Study (or the equivalent or better) in order to submit a proposal in SCE's 2013 RPS solicitation.

#### **E. Increased Curtailment May Impede Meeting RPS Targets**

As more renewable generation comes on-line, congestion at the transmission and distribution levels is increasing and curtailment events are becoming increasingly common.

Under the generator interconnection agreements between the CAISO, the transmission provider, and a project developer, projects may elect to be interconnected as Energy-Only ("EO") or Full Capacity Deliverability Status ("FCDS") resources. By selecting FCDS, developers must fund their network upgrade costs and share in the cost of any delivery network upgrades. EO resources are not studied to determine what, if any, upgrades to the transmission

or distribution system would be required in order to ensure that there is sufficient transmission capacity to deliver all of the project's energy to market. Developers who select EO fund their network upgrade costs, but are not obligated to contribute any portion of the delivery network upgrades. This increases the risk of congestion for all interconnected projects in the area.

Despite having to fund deliverability upgrades, FCDS resources receive no operating priority or transmission rights beyond what an EO resource would receive. For example, rather than curtail an EO resource first when congestion requires curtailment, the CAISO makes no distinction between an EO and FCDS resource. Additionally, EO resources receive the benefit of the additional downstream transmission availability, funded by FCDS developers, without sharing any of the downstream transmission upgrade costs.

EO resources may drive down the wholesale market price for energy (even making the price negative, meaning that SCE customers not only have to pay generators for the energy, but actually pay the CAISO to take the energy). Excessively low and negative power prices are intended to achieve reductions in generation when there is more generation than available transmission capacity (or load) in a particular area. However, when price signals are not enough to entice generators to decrease their output so as to alleviate congestion on the grid, the CAISO may resort to curtailing renewable generators for reliability purposes. These negative outcomes affect not only the EO resources themselves, but potentially other generators in the region, including FCDS resources.

Several of SCE's contracted wind projects in the Tehachapi region in Kern County, California, for example, have been forced to curtail deliveries significantly in order to maintain system reliability in this area. SCE expects that this same issue will occur in the Devers Colorado River area during the construction phases of that transmission project. Depending on the extent of these curtailment events, SCE and other load-serving entities could be significantly impacted in meeting their RPS goals. Additionally, the curtailments could affect the ability of owners of operating renewable projects to maintain adequate revenue to service their debt, and may create a chilling effect on future financing of projects under development.

SCE has been working on multiple fronts to mitigate the risk of curtailment. For instance, SCE has aggregated several large wind projects under a “physical scheduling plant” (“PSP”), which enables SCE to manage the projects as a single resource in CAISO markets. This gives plant operators the ability to optimize the output of the individual plants in order to follow dispatch instructions given at the aggregate level. The PSP should decrease the impact of curtailments due to a diversity effect. If the aggregate limit is, for example 500 MW, a given project may generate more than its pro rata limit while another generates less, as long as the aggregate limit of 500 MW is not exceeded. In this example, without the PSP, some generators would have been “limited” even though there might have been sufficient capacity to accommodate their full output. Moreover, the PSP should enable increased scheduling accuracy and operational efficiency.

SCE has also been working to increase the level of coordination with generators during the construction phases of major transmission projects in the Tehachapi and Devers areas, with a particular focus on minimizing the duration of outages that will require curtailments and scheduling work during periods of low production for renewable resources. Further, SCE is continuing to work with the CAISO to develop a more dynamic approach to setting generation limitations at the transmission level (e.g., taking into account aggregate area limits as opposed to enforcing individual plant limitations, which can result in over-curtailment if not all generators are operating at their maximum pro rata limits, as in the PSP example above). SCE has already had some success facilitating curtailment optimization at the distribution level, primarily by encouraging wind generators with advanced control systems to curtail on behalf of those with more analog technologies in exchange for a negotiated payment amount. SCE will continue to look for opportunities to replicate those arrangements.

SCE recommends that the Commission support prudent operational and contractual reforms that differentiate between EO and FCDS resources for purposes of managing congestion and curtailment. For example, in SCE’s 2013 RPS Procurement Plan, SCE has proposed to

make EO resources responsible for negative price risk. This will place the risk of negative pricing on the EO projects that contribute to that risk, rather than SCE's customers.

**F. The Increasing Proportion of Intermittent Resources Could Affect Progress Toward the State's RPS Goals**

Over the last several years, a number of large wind projects in SCE's renewables portfolio have achieved commercial operation. While these resources have contributed significantly toward SCE's renewables portfolio, they have also made forecasting SCE's renewable procurement position and need more complex. Wind is highly intermittent. Actual production from wind generators varies significantly from hour-to-hour, month-to-month, and year-to-year, thereby exposing SCE to large fluctuations in renewable energy deliveries. Solar production also varies over time depending on weather conditions and project performance, among other factors. As wind and solar projects come to represent an ever larger proportion of SCE's renewables portfolio, these intermittency effects will be magnified.

Given the number of intermittent resources expected to achieve commercial operation in the coming years, SCE is preparing to successfully integrate new wind and solar resources. For example, SCE is working on ways to improve forecasting accuracy by collecting actual generation data from new wind and solar resources and analyzing forecasted output versus actual production after-the-fact.

The overall amount of intermittent renewable resources interconnected to the grid has also increased substantially since the beginning of the RPS program, and will continue to increase as the State moves toward its 33% RPS goal. There are real integration costs associated with these intermittent renewable resources. The current least-cost best-fit evaluation methodology for renewable resources does not adequately address these integration costs because the Commission has required that the IOUs use a zero integration cost adder. Accordingly, SCE recommends the Commission begin a public process for consideration and approval of an integration cost adder as requested in SCE's 2013 RPS Procurement Plan.

**VI. STATUS AND PROGRESS TOWARD DEVELOPMENT OF TRANSMISSION AND DISTRIBUTION FACILITIES**

Consistent with Public Utilities Code Section 399.13(a)(3), the Reporting Instructions request information about the current status and progress made during the prior year toward construction of, and upgrades to, transmission and distribution facilities and other electrical system components owned by electrical corporations to interconnect eligible renewable energy resources and to supply the electricity generated by those resources to load.

California's renewable energy goals have created a need for additional transmission and distribution infrastructure in order to deliver renewable power from remote locations. Below, SCE lists the status and progress of SCE's major transmission projects that will interconnect renewables and deliver their energy to load.

**A. Devers-Colorado River and Devers-Valley No. 2 Transmission Project**  
**("DCR")**

Project Description	The DCR project involves construction of approximately 153 miles of new 500-kilovolt ("kV") transmission line from SCE's Valley Substation to SCE's Devers Substation and then to a new SCE Colorado River Substation near Blythe, California.
Purpose Related to RPS	This project will help bring vast renewable and conventional generation from the solar energy-rich areas of eastern Riverside County to the power grid.
Current Status/Major Activities Completed	In construction: In May 2008, SCE filed a petition for modification of the Certificate of Public Convenience and Necessity ("CPCN") received from the CPUC to build only the California portion of SCE's previously-proposed Devers-Palo Verde #2 project. In November 2009, the CPUC granted approval of SCE's petition contingent upon subsequent CAISO approval, which was secured in August 2010. CPUC and Bureau of Land Management permitting was completed in July 2011. Construction commenced in January 2012. The project is forecast to go in-service in August 2013.
Expected MW of Renewable Generation Integrated	2,300 MW

**B. West of Devers Upgrade Project (“WOD”)**

Project Description	The proposed WOD facilities will be located in San Bernardino and Riverside Counties in southern California. WOD entails the removal and rebuilding of five existing 220 kV lines (Devers-Vista #1, Devers-Vista #2, Devers-San Bernardino, Devers-El Casco, and El Casco-San Bernardino). The upgraded 220 kV lines are needed to allow full delivery of multiple generation projects interconnecting at SCE’s new Colorado River and Red Bluff Substations.
Purpose Related to RPS	Construction of WOD will increase the transfer capability of the existing WOD corridor and provide for the full delivery of new renewable solar generation being developed in California.
Current Status/Major Activities Completed	Licensing and Permitting: The WOD project is in the early development stage. Site and route evaluation, community and agency outreach, and other pre-licensing activities are underway. SCE plans to file a CPCN with the CPUC in 2013 with forecast in-service by 2019.
Expected MW of Renewable Generation Integrated	4,000 MW

**C. Eldorado-Ivanpah Transmission Project (“EITP”)**

Project Description	The EITP consists of a new 220/115 kV Substation near Primm, Nevada and approximately 35 miles of new double-circuit, 220 kV transmission lines that extend from the Ivanpah Dry Lake Area in southern California to Eldorado Substation in southern Nevada.
Purpose Related to RPS	EITP will improve the reliability and reduce the cost of power by reducing transmission congestion on the CAISO grid. In addition, this project will provide greater access to the renewable resource-rich areas of the Mojave Desert along the California-Nevada border around Primm, Nevada.
Current Status/Major Activities Completed	In Service: CPUC and Bureau of Land Management permitting was completed in May 2011. Construction began in March 2012. The project went in-service in July 2013.
Expected MW of Renewable Generation Integrated	1,400 MW

**E. Coolwater-Lugo**

Project Description	The proposed Coolwater-Lugo project consists of approximately 63 miles of primarily double-circuit, 220 kV transmission line between SCE's existing Coolwater 220/115 kV Substation in Daggett, through a new Jasper 220kV Substation (separate project) which will be a new point of interconnection for new renewable generation, and SCE's existing Lugo 500/220 kV Substation in Hesperia, California. In addition, the project involves siting of a future 500/220 kV Desert View Substation between the new Jasper Substation and SCE's existing Lugo Substation, and 16 miles of transmission line between Desert View Substation and Lugo Substation, consisting of 500 kV single circuit transmission line and towers, initially energized at 220 kV until the future Desert View Substation becomes fully operational.
Purpose Related to RPS	Construction of Coolwater-Lugo will remedy the reliability and congestion problems that would result from the development and interconnection of over 1,200 MW of renewable solar and wind generation in the Barstow and Lucerne Competitive Renewable Energy Zones of the Mojave Desert region of southern California.
Current Status/Major Activities Completed	Licensing and Permitting: The Coolwater-Lugo project is in the development stage. Environmental Assessment preparation, community and agency outreach, and other pre-licensing activities are underway. SCE is targeting to file a CPCN with the CPUC in 2013 with a forecast in-service date of April 2018.
Expected MW of Renewable Generation Integrated	1,200 MW

**F. Tehachapi Renewable Transmission Project ("TRTP")**

Project Description	TRTP is an 11-segment project consisting of new and upgraded 220 kV and 500 kV transmission lines and associated substations built primarily to assist the development of renewable energy generation projects in remote areas of eastern Kern County, California. Segments 1-3 consist of 83 miles of new transmission line and Segments 4-11 consist of 173 miles of transmission line.
Purpose Related to RPS	TRTP will support interconnection of up to 4,500 MW of generation, most of which is expected to be from renewable resources. This will improve the reliability of the California transmission grid by enabling the expansion of the transfer



	capability of Path 26, serving load growth in the Antelope Valley, and easing transmission constraints in the Los Angeles basin.
Current Status/Major Activities Completed	In Construction: Regulatory approvals granted for Tehachapi Segments 4-11 include: CPUC CPCN in December 2009, US Forest Service Biological Opinion in July 2010, US Forest Service Record of Decision (“ROD”) in October 2010, US Army Corp of Engineers ROD in February 2011, and Angeles National Forest Special Use Permit in September 2011. SCE filed a Petition for Modification with the CPUC in October 2011 and a decision is still pending. Segments 1-3B, Windhub Substation, Whirlwind Substation, and Highwind Substation are all in service and have integrated 2,150 MW of renewable generation. Construction on Segments 4-11 began in 2010 and forecasted in-service dates range from 2013 through 2016.
Expected MW of Renewable Generation Integrated	4,500 MW

**G. Path 42 Upgrade**

Project Description	This project, in partnership with Imperial Irrigation District (“IID”), will enable the delivery of additional renewable energy to the CAISO-controlled grid. The SCE portion of this project primarily consists of the construction of approximately 15 miles of the Devers-Mirage #1 and Devers-Mirage #2 230kV transmission lines along with various upgrades at both Devers Substation and Mirage Substation.
Purpose Related to RPS	This project will enable transfer of renewable energy from IID to SCE’s portion of the CAISO-controlled grid.
Current Status/Major Activities Completed	Permitting: Development activities, which include preliminary engineering and environmental permitting, have begun. IID is preparing the California Environmental Quality Act and National Environmental Policy Act documents necessary for the environmental review process. The project is expected to be complete by April 2014.
Expected MW of Renewable Generation Integrated	1,090 MW

## **I. West of Devers Interim Project**

Project Description	The project involves temporary installation of twelve single-phase series reactors on four West of Devers 220 kV lines to facilitate the interconnection of generators until the larger WOD Upgrade Project is complete. These series reactors will be located on two previous laydown areas west of Devers Substation. The four West of Devers 220 kV transmission lines will be rerouted into the series reactors. Segments of existing subtransmission lines will be relocated around the new reactors.
Purpose Related to RPS	This project meets the CAISO request for SCE to implement an interim solution to provide incremental deliverability to new renewable generation entering the Devers area (impacting the WOD Upgrade Project).
Current Status/Major Activities Completed	In Construction: Federal Aviation Agency approval was granted in October 2012. CPUC General Order 131-D licensing exemption status was confirmed November 2011. Construction began in November 2012 to meet the forecast in-service date of October 2013.
Expected MW of Renewable Generation Integrated	1,050 MW

In addition to the transmission projects listed above, SCE has made upgrades to its distribution system to interconnect eligible renewable energy resources and to supply the electricity generated by those resources to load. Based on executed Interconnection Agreements since January 2011, SCE has installed or is in the process of installing the following distribution system upgrades in support of distributed renewable generation projects:

- Approximately 30 miles of underground cable and overhead cable;
- 106 switches;
- Approximately 140 pole replacements; and
- 3 voltage capacitor banks.

These upgrades represent distribution system-level upgrades. Most distribution upgrades require permitting according to local city requirements, are planned according to a standardized internal SCE process, and are paid for by generators and not directly by SCE's customers.

## **VII. RENEWABLE NET SHORT UPDATE**

In accordance with the Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extending the Date for Filing Updates to 2012 Procurement Plans, dated August 2, 2012, SCE has included updated renewable net short calculations as Appendix D. Appendix D includes calculations of SCE's renewable net short based on both the Commission's methodology and SCE's methodology.

SCE's renewable net short calculations based on the Commission's methodology include the following assumptions:

- SCE's bundled retail sales forecast for 2013 through 2017 and 2022 through 2030 and the 2010 Long-Term Procurement Plan ("LTPP") standardized planning assumptions for 2018 through 2021;<sup>12</sup>
- 100% success rate for any project already on-line until the expiration date of the associated contract;
- Probabilistic risk-adjusted success rates for energy deliveries from contracts that are executed but not yet on-line. SCE's forecasts include individual project-specific, risk-adjusted success rates for large, near-term projects and a flat 50% success rate for the remaining projects, which is based on these projects' overall weighted average success rate of approximately 50%;
- 100% success rate for projects originating from generic pre-approved generation such as SCE's SPVP, the RAM program, and the Public Utilities Code Section 399.20 feed-in-tariffs before contracts from such programs are signed;<sup>13</sup> and
- No re-contracting assumptions.

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<sup>12</sup> The Commission's renewable net short methodology states that utilities can use their own forecasts for bundled retail sales for the first five years and should use the LTPP standardized planning assumptions thereafter. SCE has used its own bundled retail sales forecast for 2022 through 2030 because there is no LTPP forecast for those years.

<sup>13</sup> After contracts from such programs are signed, they are risk adjusted like other projects with executed contracts that are not yet on-line.

SCE's renewable net short calculations based on SCE's methodology include the same assumptions as the Commission's methodology except that: (1) SCE's methodology uses SCE's bundled retail sales forecast for all years while the Commission's methodology uses SCE's bundled retail sales forecast for 2013 through 2017 and 2022 through 2030 and the 2010 LTPP standardized planning assumptions for 2018 through 2021; and (2) SCE's renewable net short methodology assumes 100% re-contracting of existing contracts with projects 20 MW and less while the Commission's renewable net short methodology includes no re-contracting assumptions.

#### **VIII. CONFIDENTIALITY**

SCE is submitting a confidential and a public version of its RPS Compliance Report. Confidentiality Declarations for the RPS Compliance Report are included as Appendix E.

#### **IX. CONCLUSION**

SCE respectfully submits its RPS Compliance Report.

Respectfully submitted,

JENNIFER TSAO SHIGEKAWA  
CATHY A. KARLSTAD

/s/ Cathy A. Karlstad  
By: Cathy A. Karlstad

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Attorneys for  
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, California 91770  
Telephone: (626) 302-1096  
Facsimile: (626) 302-6962  
E-mail: Cathy.Karlstad@sce.com

Dated: August 1, 2013

**Appendix A**

**RPS Compliance Report Spreadsheet**

## **Appendix B**

### **Project Development Status Report Spreadsheet**

## **Appendix C**

### **Siting and Permitting Status Table**

## **Appendix D**

### **Renewable Net Short Calculations**



**Appendix E**  
**Confidentiality Declarations**

**DECLARATION OF ALEXANDER CABRERA REGARDING THE**  
**CONFIDENTIALITY OF CERTAIN DATA**

I, Alexander Cabrera, declare and state:

1. I am a Project Manager in the Trading & Energy Operations, Energy Compliance department at Southern California Edison Company (“SCE”). As such, I have reviewed the data in SCE’s 2012 Preliminary Annual 33% Renewables Portfolio Standard (“RPS”) Compliance Report, Appendix B, Project Development Status Report spreadsheet (“PDSR”) and Appendix C, Siting and Permitting Status Table (collectively, the “Protected Materials”). I make this declaration in accordance with the California Public Utilities Commission (“Commission” or “CPUC”) Decisions (“D.”) 06-06-066 and D.08-04-023, issued in Rulemaking (“R.”) 05-06-040. I have personal knowledge of the facts and representations herein and, if called upon to testify, could and would do so, except for those facts expressly stated to be based upon information and belief, and as to those matters, I believe them to be true.

2. Listed below are the data in the Protected Materials for which SCE is seeking confidential treatment and the categories on the Matrix of Allowed Confidential Treatment Investor Owned Utility (“IOU”) Data (“Matrix”) appended to D.06-06-066 to which these data correspond.

<b>Data</b>	<b>Location of Data</b>	<b>Matrix Category</b>	<b>Period of Confidentiality</b>
Contract terms and contract evaluation information	<b>PDSR: Project Information tab:</b> Columns AK and AX-BC, as applicable	VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids	RPS contracts confidential for three years, or until one year following expiration, whichever comes first.  Score sheets, analyses, evaluations of proposed RPS

			<p>projects confidential for three years.</p> <p>Specific quantitative analysis involved in the scoring and evaluation or participating bids confidential for three years after winning bidders selected.</p>
Information regarding project viability scores <sup>1</sup>	<p><b>PDSR: Project Information tab:</b></p> <p>Cells BU:28-CI:28 through BU:284-CI:284, BU286-CI:286, and BU:298-CI:298 through BU:354-CI:354</p>	<p>VII.G RPS Contracts</p> <p>VII.H Score sheets, analyses, evaluations of proposed RPS projects</p> <p>VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids</p>	<p>RPS contracts confidential for three years, or until one year following expiration, whichever comes first.</p> <p>Score sheets, analyses, evaluations of proposed RPS projects confidential for three years.</p> <p>Specific quantitative analysis involved in the scoring and evaluation or participating bids confidential for three years after winning bidders selected.</p>

3. I am informed and believe and thereon allege that SCE is complying with the limitations on confidentiality specified in the Matrix that pertain to the data listed in the table above.

4. I am informed and believe and thereon allege that the data in the table in paragraph 2 above has never been made publicly available.

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<sup>1</sup> The Commission concluded that project-specific project viability information should remain confidential in D.09-06-018.

5. I am informed and believe and thereon allege that the data in the table above cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information.

6. Additionally, SCE is seeking confidential treatment of certain data that is market sensitive, but may not fall into a category on the Matrix.

7. The PDSR: Project Information tab requires SCE to provide confidential, market-sensitive information on the status of RPS contracts. In particular, in the PDSR: Project Information tab, the following columns contain confidential, market-sensitive information, as applicable: “Reason for Termination” (Column U), “Latitude” (Column AF), “Longitude” (Column AG), “Expected or Actual permitting completion date” (Column AI), “Is the EPC contract executed?” (Column AJ), “Expected or Actual Construction Start Date” (Column AL), “Construction Status” (Column AM), “Expected or Actual COD” (Column AO), “Milestone Progress Notes” (Column AP), and “General Project Information Notes” (Column AQ). Similarly, in the Siting and Permitting Status Table, the following columns contain confidential, market-sensitive information, as applicable: “Site Control Status” (Column D), “Permit Status” (Column F), and “Expected or Actual permitting completion date” (Column G). For the reasons discussed below, this information is confidential and market-sensitive and should not be disclosed to the public.

8. The information identified in paragraph 7 is confidential because it relates to the terms and conditions of the individual contracts entered into between SCE and the respective generators. Contractual information is protected under the Matrix under “Section VII. Bilateral Contract Terms and Conditions – Electric (G) Renewable Resource Contracts under RPS program – Contracts without SEPs.” More specifically, Section VII.G provides that contract information shall be confidential for three years after first delivery or one year following expiration. SCE is generally seeking confidential treatment for contracts that have not been delivering for three years or expired for one year; thus, the information is protected. In addition,

and in accordance with the level of protection afforded under the Matrix, SCE has not redacted the individual contract summaries, which include counterparty name, resource type, location, capacity, expected deliveries, delivery point, length of contract, and on-line date. Finally, the Commission also concluded that project-specific project viability information should remain confidential in D.09-06-018.

9. Information identified in paragraph 7 is also protected under Public Utilities Code Section 454.5(g) and General Order 66-C.

10. Public Utilities Code Section 454.5(g) requires the Commission to maintain the confidentiality of “market sensitive information.” It provides: “The commission shall adopt appropriate procedures to ensure the confidentiality of any market sensitive information submitted in an electrical corporation’s proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination, provided that the Office of Ratepayer Advocates and other consumer groups that are nonmarket participants shall be provided access to this information under confidentiality procedures authorized by the commission.”

11. General Order 66-C requires the Commission to protect confidential information that would place a utility at an “unfair business disadvantage” if it were publicly disclosed. It categorizes as information that is “not open to public inspection,” those “[r]eports, records, and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage.” General Order 66-C, § 2.2(b).

12. The information identified in paragraph 7 is considered market sensitive and would place SCE at an unfair business disadvantage for several reasons.

13. Public disclosure of SCE’s judgment that a particular project is failing to meet milestones or otherwise struggling may impair the project developer’s ability to secure financing, attract investors, or raise capital. Obviously, a project’s failure to gain funding of any type could

result in the project failing. The Commission should be as concerned about the effect on the project developer of releasing SCE's assessment of the project's overall viability as it is about the effect on SCE and its customers. Disclosure of this type of information in the hope of providing greater public access to RPS data may actually have the opposite of the presumably desired effect by causing or contributing to project failure.

14. SCE maintains the confidentiality of this information not only from the public at large, but from its counterparties as well. If this information were to be released and result in the failure of a contract based on an inability to acquire financing because of publicly released negative information from SCE, then SCE could be exposed to potential litigation from developers for the release of such information.

15. SCE could be damaged by the long-term effect of the loss of trust between SCE and prospective renewable generators that would be engendered by such a disclosure. This "loss of trust" would create a competitive disadvantage for SCE in its procurement efforts on behalf of its customers.

16. Disclosure of the status of an RPS project would also hinder SCE's contract administration of all of its yet-to-be completed RPS projects. By revealing that certain milestones have not been reached or revealing that delays have occurred, a "floor" is created as to what SCE is willing to allow a future developer to do during the development of a project. This "floor" will disadvantage SCE in the development of RPS projects by allowing such parties to exploit concessions that SCE provided under unique circumstances even though such concessions would not be appropriate in a different context or under different facts. Simply stated, publicly revealing this information may impair SCE's ability to actively manage milestones and administer contracts for projects in development, a result that would appear to be directly contrary to the desire of policy makers to bring as much renewable power on-line as soon as possible.

17. I am informed and believe and thereon allege that the information identified in paragraph 7 cannot be aggregated, redacted, summarized, masked or otherwise protected in a

manner that would allow partial disclosure of the data while still protecting confidential information.

18. I am informed and believe and thereon allege that the information in paragraph 7 has never been made publicly available.

19. Additionally, the PDSR includes contain confidential transmission information.

20. In the PDSR: Project Information tab, the following columns contain confidential transmission information, as applicable: “Point of System Interconnection” (Column BG), “Queue Position” (Column BH), “CAISO Cluster” (Column BI), “Request Type” (Column BJ), “Status of Interconnection Agreement” (Column BK), “Actual or Expected execution date of Interconnection Agreement” (Column BL), “Feasibility Study” (Column BM), “System Impact Study/Phase I Study” (Column BN), “Facility Study/Phase II Study” (Column BO), “Preferred Point of Interconnection” (Column BP), “CAISO Resource ID” (Column BQ), “Interconnection and deliverability upgrades identified as needed (type, length, voltage)” (Column BR), “CPUC application required for transmission upgrades?” (Column BS), and “Expected completion date for all required upgrades” (Column BT).

21. This information is protected under Federal Energy Regulatory Commission (“FERC”) Order No. 2003 which governs the treatment of confidential information related to generator interconnections. The pro forma Large Generator Interconnection Procedures (“LGIP”) promulgated by FERC in Order No. 2003, and its progeny, states: “Confidential Information shall include, without limitation, all information relating to a Party’s technology research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an [Large Generator Interconnection Agreement (“LGIA”)].” 104 FERC ¶ 61,103, Standard LGIP at Section 13.1. Section 13.1.2 of the pro forma LGIP also provides that neither party may release or disclose such confidential information to any other person except for certain narrowly defined affiliates and consultants. *See id.* at Section 13.1.2.

22. The information identified in paragraph 20 is transmission information that is used to perform interconnection studies for specific generators that has not yet been made public through the filing of an LGIA or a posting on SCE's or the California Independent System Operator's ("CAISO") website, as applicable. (SCE's Wholesale Distribution Access Tariff ("WDAT") LGIP and CAISO's LGIP, Section 3.6, both provide for the release of information related to interconnection studies in situations that are identical to FERC Order No. 2003.) Based on the authority listed above, this information has been deemed confidential and should not be publicly released. *See e.g., Southern California Edison Co. v. California Public Utilities Comm'n*, 121 Cal. App. 4<sup>th</sup> 1303 (2004) (California Court of Appeals finding that FERC Order No. 2003 preempted Pub. Util. Code Section 399.25 regarding payment of upfront transmission costs).

23. Moreover, in accordance with FERC Order No. 2003, SCE has consistently maintained the confidentiality of information supplied to it by generators pursuant to an interconnection request that has not already been made public. This information is confidential market sensitive information to generators seeking interconnection because it forms the basis upon which generators make competitive business decisions.

24. Furthermore, it should be noted that the disclosure of such information could potentially damage SCE and its customers. First, under Section 13.1.7 of the FERC pro forma LGIP, SCE could be liable for damages suffered by a generator in connection with the improper release of confidential information by SCE. *See* 104 FERC ¶ 61,103, LGIP at Section 13.1.7. Second, and more importantly, SCE could be damaged by the long-term effect of the loss of trust between SCE and prospective interconnecting generators that would be engendered by such a disclosure. This would create a competitive disadvantage for SCE in its procurement efforts on behalf of its customers.

25. I am informed and believe and thereon allege that the information identified in paragraph 20 cannot be aggregated, redacted, summarized, masked or otherwise protected in a

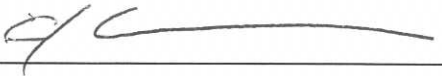


manner that would allow partial disclosure of the data while still protecting confidential information.

26. Although some of the transmission information may have been previously disclosed, for example, on the CAISO website, the information is presented without identifying information such as the project name, which could be used to cross reference to non-public information in the remainder of the paragraph 20. Therefore, I am informed and believe and thereon allege that the transmission identified in paragraph 20 has never been made publicly available.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 29, 2013 at Rosemead, California.

A handwritten signature in black ink, appearing to be 'A. Cabrera', is written over a horizontal line.

Alexander Cabrera

**DECLARATION OF ERIC LAVIK REGARDING THE CONFIDENTIALITY OF  
CERTAIN DATA**

I, Eric Lavik, declare and state:

1. I am the Principal Manager of Modeling, Forecasting, and Economic Analysis in the Portfolio Reporting department at Southern California Edison Company (“SCE”). As such, I have reviewed the data in SCE’s 2012 Preliminary Annual 33% Renewables Portfolio Standard (“RPS”) Compliance Report, Appendix A, RPS Compliance Report spreadsheet (“RPS Compliance Spreadsheet”) and Appendix D, Renewable Net Short Calculations (collectively, the “Protected Materials”). I make this declaration in accordance with California Public Utilities Commission (“Commission” or “CPUC”) Decisions (“D.”) 06-06-066 and D.08-04-023, issued in Rulemaking (“R.”) 05-06-040. I have personal knowledge of the facts and representations herein and, if called upon to testify, could and would do so, except for those facts expressly stated to be based upon information and belief, and as to those matters, I believe them to be true.

2. Listed below are the data in the Protected Materials for which SCE is seeking confidential treatment and the categories on the Matrix of Allowed Confidential Treatment Investor Owned Utility (“IOU”) Data (“Matrix”) appended to D.06-06-066 to which these data correspond.

<b>Data</b>	<b>Spreadsheet/Tab and Cell Reference</b>	<b>Matrix Category</b>	<b>Period of Confidentiality</b>
Forecast of bundled customer energy retail sales and information that calculates back to this forecast	<b>RPS Compliance Spreadsheet: Compliance Period Summary tab:</b> “Total Retail Sales” (Cells F:9-G:9) “Annual RPS Targets and Compliance Period Procurement Requirement” (Cells F:10-G:10) “Total RPS Eligible RECs	V.C LSE Total Energy Forecast – Bundled Customer (MWh)	Front three years of forecast data confidential.

Data	Spreadsheet/Tab and Cell Reference	Matrix Category	Period of Confidentiality
	<p>Procured” (Cell H:11)</p> <p>“Total RPS Eligible RECs Retired” (Cell H:12)</p> <p><b>RPS Compliance Spreadsheet: 33% RPS Progress Summary tab:</b></p> <p>“Retail Sales (MWh)” (Cells E:10-H:10)</p> <p>“Annual RPS Target” (Cells E:12-H:12)</p> <p>“Procurement Quantity Requirement” (Cells C:13-H:13)</p> <p><b>RPS Compliance Spreadsheet: Accounting tab:</b></p> <p>“Annual Retail Sales” (Cells E:18-H:18)</p> <p>“Annual RPS Procurement Percentage” (Cells E:21-H:21)</p> <p>“Procurement Quantity Requirement (PQR)” (Cells C:26-H:26)</p> <p>“Additional RECs Needed to meet RPS Procurement Quantity Requirement” (Cells C:79-E:79)</p> <p><b>Renewable Net Short Calculations: CPUC Assumptions and SCE Assumptions tabs<sup>1</sup></b></p> <p>“Gross Surplus/&lt;Deficit&gt;” (Cells F:5-I:5, F:6, and I:6)</p>		

<sup>1</sup> The Administrative Law Judge’s Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology Into the Record, and (3) Extending the Date for Filing Updates to 2012 Procurement Plans, dated August 2, 2012, indicates that the confidentiality period for reporting the renewable net short includes the partial year in which the renewable net short is submitted and the following annual three full years (i.e., 2012 through 2015). *See id.*, Attachment A at 5.

<b>Data</b>	<b>Spreadsheet/Tab and Cell Reference</b>	<b>Matrix Category</b>	<b>Period of Confidentiality</b>
	“Banked Surplus” (Cells F:8-I:8, F:9, and I:9) “Bank Usage” (Cells F:11-I:11, F:12, and I:12) “Banked Balance” (Cells F:14-I:14, F:15, and I:15) “Net Surplus/<Deficit> After Bank” (Cells F:17-I:17, F:18, and I:18) “Net RPS Position” (Cells F:21-I:21, F:22, and I:22) “Annual RPS Risk-adjusted Net Short Calculation” (Cells F:48-I:48)		

3. I am informed and believe and thereon allege that SCE is complying with the limitations on confidentiality specified in the Matrix that pertain to the data listed in the table above.

4. I am informed and believe and thereon allege that the data in the table above cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information.

5. I am informed and believe and thereon allege that the data in the table in paragraph 2 above has never been made publicly available.

6. Additionally, SCE is seeking confidential treatment of certain data that is market-sensitive, but may not fall into a category on the Matrix.

7. In the RPS Compliance Spreadsheet: Procurement Detail tab, the “Facility Status” column (Column Z) contains confidential, market-sensitive information as applicable. Specifically, this column requires SCE to indicate the status (e.g., “on schedule” or “delayed”) for RPS contracts that are not currently on-line or terminated. For the reasons discussed below, this information is confidential and market-sensitive and should not be disclosed to the public.

8. The information identified in paragraph 7 is confidential because it relates to the terms and conditions of the individual contracts entered into between SCE and the respective generators. Contractual information is protected under the Matrix under “Section VII. Bilateral Contract Terms and Conditions – Electric (G) Renewable Resource Contracts under RPS program – Contracts without SEPs.” More specifically, Section VII.G provides that contract information shall be confidential for three years after first delivery or one year following expiration. SCE is seeking confidential treatment for contracts that have not been delivering for three years or expired for one year; thus, the information is protected. In addition, and in accordance with the level of protection afforded under the Matrix, SCE has not redacted the individual contract summaries, which include counterparty name, resource type, location, capacity, and length of contract. Finally, the Commission also concluded that project-specific project viability information should remain confidential in D.09-06-018.

9. Information identified in paragraph 7 is also protected under Public Utilities Code Section 454.5(g) and General Order 66-C.

10. Public Utilities Code Section 454.5(g) requires the Commission to maintain the confidentiality of “market sensitive information.” It provides: “The commission shall adopt appropriate procedures to ensure the confidentiality of any market sensitive information submitted in an electrical corporation’s proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination, provided that the Office of Ratepayer Advocates and other consumer groups that are nonmarket participants shall be provided access to this information under confidentiality procedures authorized by the commission.”

11. General Order 66-C requires the Commission to protect confidential information that would place a utility at an “unfair business disadvantage” if it were publicly disclosed. It categorizes as information that is “not open to public inspection,” those “[r]eports, records, and

information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage.” General Order 66-C, § 2.2(b).

12. The information identified in paragraph 7 is considered market sensitive and would place SCE at an unfair business disadvantage for several reasons.

13. Public disclosure of SCE’s judgment that a particular project is failing to meet milestones or otherwise struggling may impair the project developer’s ability to secure financing, attract investors, or raise capital. Obviously, a project’s failure to gain funding of any type could result in the project failing. The Commission should be as concerned about the effect on the project developer of releasing SCE’s assessment of the projects overall viability as it is about the effect on SCE and its customers. Disclosure of this type of information in the hope of providing greater public access to RPS data may actually have the opposite of the presumably desired effect by causing or contributing to project failure.

14. SCE maintains the confidentiality of this information not only from the public at large, but from its counterparties as well. If this information were to be released and result in the failure of a contract based on an inability to acquire financing because of publicly released negative information from SCE, then SCE could be exposed to potential litigation from developers for the release of such information.

15. SCE could be damaged by the long-term effect of the loss of trust between SCE and prospective renewable generators that would be engendered by such a disclosure. This “loss of trust” would create a competitive disadvantage for SCE in its procurement efforts on behalf of its customers.

16. Disclosure of the status of an RPS project would also hinder SCE’s contract administration of all of its yet to be completed RPS projects. By revealing that certain milestones have not been reached or revealing that delays have occurred, a “floor” is created as to what SCE is willing to allow a future developer to do during the development of a project. This “floor” will disadvantage SCE in the development of RPS projects by allowing such parties to exploit concessions that SCE provided under unique circumstances even though such


concessions would not be appropriate in a different context or under different facts. Simply stated, publicly revealing this information may impair SCE's ability to actively manage milestones and administer contracts for projects in development, a result that would appear to be directly contrary to the desire of policy makers to bring as much renewable power on-line as soon as possible.

17. I am informed and believe and thereon allege that the information identified in paragraph 7 cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information.

18. I am informed and believe and thereon allege that the information identified in paragraph 7 has never been made publicly available.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 29, 2013 at Rosemead, California.

A handwritten signature in cursive script, reading "Eric Lavik", written over a horizontal line.

Eric Lavik