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1 statement for the parties so that the parties
2 know what's happening in what track and how
3 they interact and how much these are separate
4 tracks and how much they're just pieces of a
5 larger whole.]

6 And so that's partially why I wanted
7 to hear from the parties today, to make sure
8 that what I'm understanding is somewhere in
9 the same areas that what the parties are
10 understanding or what the parties are not
11 understanding.

12 MS. MYERS: I appreciate that. Thank
13 you.

14 ALJ ALLEN: Mr. Florio.

15 MR. FLORIO: Yes, your Honor.

16 Mike Florio for TURN.

17 I think the more I listen, the more
18 I think we do need a Scoping Memo, although I
19 tend to agree with the utilities that I see
20 Track 2 as fairly narrow and basically
21 updating a set of rules for the utilities to
22 do their procurement on a short- to
23 medium-term basis.

24 The utility bundled plans and their
25 procurement authority typically only goes out
26 five or maybe six years. It doesn't go all
27 the way out to 2020 as the system resource
28 plan in Track 1 will do. And going five or

1 six years from now, you're basically talking
2 about procurement from the set of resources
3 that are either already in existence or
4 already well along in the planning and
5 development process, because otherwise
6 they're not going to be here in 2016.

7 So I see the procurement plans as
8 sort of a living document that's the body of
9 rules that the Commission has adopted to
10 guide utility procurement that, generally
11 speaking, doesn't go out beyond five years.

12 And as decisions are made in Track 1
13 about what the Commission wants all the
14 load-serving entities to be doing, like the
15 issue that Mr. Cragg brought up, those plans
16 can be modified over time as new requirements
17 are placed on the various load-serving
18 entities.

19 But, you know, it's only what the
20 utilities are doing to serve their bundled
21 customers, and I don't think it gets into all
22 these big policy issues like once-through
23 cooling and, you know, what the system looks
24 like in 2020 and thereafter, because the
25 utilities are only asking for authority to
26 procure five or six years forward.

27 If that's incorrect, I'd like the
28 utilities to correct me. But I believe

1 that's what the procurement plans typically
2 provide, where the resource plans are on a
3 longer time frame and talk about, you know,
4 changes to the system that we've already got
5 in place; whereas the procurement plan is
6 what do we do to serve bundled load in the
7 near term.

8 The one other point I'd like to
9 raise on the scheduling aspect is all three
10 utilities are going to file these -- whatever
11 they are, plans, on the same day. That is
12 going to be a massive amount of material for
13 Interested Parties to examine. And I was
14 just -- and the schedules I have seen so far
15 provide about a month for Interested Parties
16 to digest and respond to that.

17 And I would argue that that is not
18 sufficient simply because, you know, it's
19 going to take a week just to get through
20 those things and read them. Then there'll be
21 at least one round of discovery. Let's say
22 we get all our discovery out in a week, which
23 I think is pretty ambitious. Ten working
24 days to respond, that's three weeks from the
25 filing date, and we're just getting our
26 discovery back. I don't think a week to
27 review all that material and produce
28 testimony or commentary, or whatever it is,

1 for three different utilities is realistic.

2 So I would suggest we have at least
3 six weeks from when the utilities file to
4 when the Interested Parties have to make
5 their responses, because I think in a month
6 you're not going to get a quality work
7 product. And what it's probably going to
8 lead to is demands for hearing that may or
9 may not ultimately be necessary. But if
10 people don't have time to do discovery,
11 they're going to do their discovery in the
12 hearing process, and it's going to drag this
13 all out.

14 So I think a couple of additional
15 weeks for Interested Parties to prepare their
16 testimony or comments or whatever we call
17 them is actually going to save us time in the
18 long run in trying to move this case forward.

19 Thank you.

20 ALJ ALLEN: Thank you, Mr. Florio.

21 A couple of questions. First off, I
22 have to say that I'm shocked -- I'm
23 shocked -- to hear that discovery happens in
24 the hearing room.

25 (Laughter)

26 MR. FLORIO: But it shouldn't.

27 ALJ ALLEN: Just so I understand your
28 comments, I understand what you were saying

1 about the utility bundled plans, the Track 2
2 plans, being more like an update, but the
3 larger issue is the Track 1 issues. As those
4 are resolved/developed, those would in fact
5 feed into Track 2 plans on a kind of an
6 iterative ongoing basis.

7 MR. FLORIO: Exactly.

8 ALJ ALLEN: Okay. So we don't need to
9 have all the Track 1 issues resolved before
10 we have this year's Track 2 decision,
11 correct?

12 MR. FLORIO: Yes.

13 For example, the point Mr. Cragg
14 raised about the ISO is now suggesting that
15 load-serving entities such as the utilities
16 serving their bundled load should have to
17 procure certain operational characteristics.
18 You know, that is probably not going to be
19 decided in the next three or four months
20 before these plans get filed.

21 But if at some point in the future
22 the Commission says, yes, we want
23 load-serving entities to do that, then
24 presumably that order would also say to the
25 utilities: File by an advice letter an
26 amendment to your bundled plan to incorporate
27 these new requirements that we're issuing
28 today.

1 And I think that's how it has to
2 happen. These plans are living documents.
3 They are not frozen in time at the date of a
4 decision. And as Commission and ISO
5 requirements change, the IOUs have to update
6 those plans, and we have a process for doing
7 that.

8 ALJ ALLEN: Okay.

9 MR. FLORIO: If the IOUs think I'm
10 wrong on that, again, please correct me,
11 but --

12 ALJ ALLEN: Other parties on the Track
13 2 rulings?

14 I'm sorry, I can't see --

15 MR. ROSTOV: Mr. Rostov.

16 ALJ ALLEN: Mr. Rostov from Sierra.

17 MR. ROSTOV: Yeah. I wanted to address
18 a couple of things.

19 I agree with Mr. Florio that there
20 probably needs to be a scoping plan.

21 The utilities say that a simple
22 update should be okay, but we don't think
23 that really makes sense because in the last
24 round of bundled plans there was a lot of
25 issues that were found wanting. And what our
26 understanding was in the 2006 decisions, they
27 were saying, well, there's all these
28 deficiencies and we'd fix them in the 2010