

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



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Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Rulemaking 08-12-009
(Filed December 18, 2008)

**QUARTERLY STATUS REPORT OF SAN DIEGO
GAS & ELECTRIC COMPANY (U 902 E) FOR DEPARTMENT OF
ENERGY FUNDED SMART GRID PROJECTS OR ACTIVITIES**

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November 11, 2011

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I. INTRODUCTION

Pursuant to Decision (D.) 09-09-029 in this proceeding, San Diego Gas & Electric Company ("SDG&E") hereby respectfully submits this quarterly status report. On September 10, 2009, the Commission approved D.09-09-029, which imposes certain reporting requirements on investor-owned utilities that have received funding under Department of Energy (DOE) Funding Opportunity Announcements DE-FOA-0000036 (Smart Grid Demonstrations) and DE-FOA-0000058 (Smart Grid Investment Grant Program). SDG&E's Gridcomm Project application filed to DOE on August 6, 2009, under Funding Opportunity Announcement (FOA) DE-FOA-0000058, was selected for a Smart Grid Investment Grant. *SDG&E receives no funding under the Smart Grid Demonstrations.*¹

In compliance with CPUC policies and findings to fulfill the regulatory obligations, this first quarterly filing describes in detail the status of all DOE funded

¹ SDG&E's Demonstration Project Application filed to DOE on August 25, 2009, under Funding Opportunity Announcement ("FOA") DE-FOA-0000036, was not selected for award.

activities as part of the Grid Communication System (SGCS) Project (formerly known as “Gridcomm”). In accordance with Ordering Paragraph 2 and 7 of D.09-09-029, SDG&E Confidential documents and information submitted to the DOE, if any, will be made available under separately cover to the Commission’s Energy Division and the Division of Ratepayer Advocates subject to Public Utilities Code Section 583 and General Order Number 66.

II. PROGRAM DESCRIPTION

SGCS will implement an advanced wireless communication system that allows SDG&E to monitor, communicate with and control transmission and distribution equipment. This system, known as SGCS will accelerate the deployment of Smart Grid applications and devices. It will connect tens of thousands of Smart Grid assets and potentially millions of Smart Meters across 4,100 square miles serving 3.4 million people.

III. GOAL OF PROGRAM

- **Goal 1 -- Support Smart Grid functions never envisioned for SDG&E's existing communications systems.** SGCS will replace outmoded, inefficient, single-use radio frequency (RF) systems with one secure, consolidated system yielding greater performance, security and interoperability for all Smart Grid stakeholders.
- **Goal 2 -- Improve grid security, lower electricity rates, improve grid resiliency, support future Smart Grid technologies.**

IV. HISTORY OF PROGRAM

- Program formally started in late April 2010 with DOE and Sempra approvals to move forward.
- Worked in good faith with initial selected prime vendor to design and build a 700MHz traditional wireless mountain top solution, but in early June 2010, it was clear that the vendor could not guarantee the wireless spectrum they had bid. Consequently, decision was made to develop and release RFQ in late June 2010.

- RFQ responses received mid July 2010 and new prime vendor was selected to develop a design and implementation for a 2.3GHz WiMAX solution.
- The vendor has worked in good faith on a pilot/demonstration project, but encountered difficulties in developing a fixed pervasive solution using WiMAX 16d that would meet our performance and reliability requirements.
- We acquired 10MHz of dedicated 2.3GHz spectrum for San Diego County in December 2010 to provide secure and reliable communications to our smart grid assets.
- The wireless industry is in the middle of a technology transition from WiMAX to LTE. We have examined the pros and cons for both and have selected WiMAX 16e as the solution that best serves our ratepayers , meets SDG&E business requirements, and effectively utilizes our dedicated 2.3GHz spectrum.

IV. STATUS

Engineering analysis and evaluation of solutions alternatives activities went through March 2011. SGCS is now completing system design and piloting a small version of the system using WiMAX 16e on our dedicated 2.3GHz spectrum. A full system RFP is to be released end of November 2011. A vendor will be selected and implementation of the system will begin in February 2012.

Respectfully submitted this 11th day of November 2011.

By: /s/ Allen K. Trial
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