

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**01-14-13
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January 14, 2013

Agenda ID #11861
Ratesetting

TO PARTIES OF RECORD IN RULEMAKING 11-10-023

This is the proposed decision of Administrative Law Judge (ALJ) David M. Gamson. It will not appear on the Commission's agenda sooner than 30 days from the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at www.cpuc.ca.gov. Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Gamson at dmg@cpuc.ca.gov and the assigned Commissioner. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ KAREN V. CLOPTONKaren V. Clopton, Chief
Administrative Law Judge

KVC:rs6

Attachment

Decision **PROPOSED DECISION OF ALJ GAMSON** (Mailed 1/14/2013)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee
the Resource Adequacy Program,
Consider Program Refinements, and
Establish Annual Local Procurement
Obligations.

Rulemaking 11-10-023
(Filed October 20, 2011)

**DECISION APPROVING JULY 31, 2012 PETITION
FOR MODIFICATION OF DECISION 12-06-025**

1. Summary

This decision modifies the calendar for resource adequacy filings as shown in Attachment A, to be more consistent with California Independent System Operator Schedules.

2. PG&E Petition

Pacific Gas and Electric Company (PG&E) filed a Petition for Modification (Petition) of Decision (D.) 12-06-025 on July 31, 2012. In order to synchronize the Commission and California Independent System Operator (CAISO) monthly resource adequacy (RA) timelines, PG&E requests that D.12-06-025 be modified to adopt a changed timeline for monthly RA submissions. Under D.05-10-042 (Section 8.5 at 90) each monthly compliance filing is to be submitted on “the last day of the second month prior to the compliance month (e.g., March 31 for May)”.

PG&E requests that the timing of this submission be changed to 45 days before the beginning of each month, to coincide with the anticipated CAISO

filing requirements. All other aspects of the RA program would remain unchanged, including the five business day cure period that Load Serving Entities (LSE) have to remedy any deficiencies in their RA filing after notification from Energy Division staff.

Southern California Edison Company filed a Response to the Petition on August 14, 2012 supporting PG&E's Petition.

Alliance for Retail Energy Markets (AReM) also filed a Response to the Petition on August 14, 2012. AReM urges denial of the Petition for three reasons. First, AReM contends the Petition is premature because the CAISO's proposal has not been submitted to Federal Energy Regulatory Commission (FERC). Second, AReM argues that the CAISO and Commission processes need not be identical. Third, AReM claims the Petition is procedurally improper because it seeks to modify D.05-10-042, and does not conform with the requirement in Rule 16.4(d) to show why the Petition could not have been presented within one year of the effective date of the decision. If the Commission does choose to grant the Petition, AReM recommends modification of other portions of the timeline for the RA monthly process.

3. Administrative Law Judge (ALJ) Ruling

On September 20, 2012, the CAISO filed its proposed tariff modifications at the FERC to reflect its new RA scheduled outage replacement process in Docket No. ER12-2669.

On October, 31, 2012, the assigned ALJ issued a Ruling deferring action on PG&E's petition. The Ruling states at 2: "If and when the FERC approves the CAISO's proposed tariff changes, PG&E may file documentation of such action and seek approval of the Petition, or may modify the Petition to conform to action by the FERC."

On November 19, 2012, FERC issued an order conditionally accepting the CAISO's proposed tariff revisions. (141 FERC ¶ 61,135.) We take official notice of this FERC order.

On November 21, 2012, PG&E provided a status update in response to the October 31, 2012 Ruling. PG&E states that FERC's November 19, 2012 order conditionally accepted the CAISO's revised tariffs for filing to become effective November 20, 2012, and orders the CAISO to submit a compliance filing within 30 days, making ordered modifications to its proposal. However, PG&E states that these modifications do not relate to the schedule for RA submissions proposed by the CAISO, which were accepted by FERC without change.

On November 30, 2012, AReM filed a response to PG&E's November 21, 2012, filing, generally reiterating its concerns with PG&E's Petition.

4. Discussion

Under the existing Commission process, Commission-jurisdictional LSEs submit their monthly RA plans to the Commission approximately 30 days prior to the beginning of the month. While this timing is in sync with the CAISO requirements under the current CAISO process, it is not in sync with the future CAISO process now adopted by FERC and in effect for the January 2013 RA plan submissions.

AReM's first concern about PG&E's Petition – lack of FERC approval – is now moot. AReM's second concern, that CAISO and Commission processes need not be identical, is correct, but we see no reason in this case why they should not be the same. AReM's third concern that the Petition should have been filed in a different docket is misplaced. D.12-06-025 was issued in Rulemaking

(R.) 11-10-023, the successor (several times removed) from the proceeding in which D.05-10-042 was issued. (D.11-06-022 was issued in the RA docket immediately preceding R.11-10-023.) D.12-06-025 adopted refinements to the RA program and otherwise continued the RA program in effect at the time, including the RA calendar; thus D.12-06-025 is the proper decision to modify in this instance. AReM's third concern is also that the Petition does not conform with the requirement in Rule 16.4(d) to show why the Petition could not have been presented within one year of the effective date of the decision. This is technically accurate. However, given that the CAISO filing at FERC to implement changes related to the replacement rule adopted in D.11-06-022 just occurred this September, we find that the Petition is timely.

PG&E's request that D.12-06-025 be modified to change the date for Commission-jurisdictional LSEs to submit monthly RA reports to 45 days before the beginning of the compliance month, to coincide with new CAISO requirements, is reasonable. PG&E requests that this change begin with program year 2013, to coincide with anticipated CAISO requirements. We agree, and hereby set forth the new calendar (with the current calendar for comparison) for RA reports, as shown in Attachment A.

We also note that the following language from D.10-06-036 at Ordering Paragraph 6(e) remains in effect: "Load-serving entities may, at the discretion of the California Energy Commission staff, file changes to their load forecasts up to 25 days before the due date of the month-ahead compliance filings."

5. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.

Comments were filed on _____. Reply Comments were filed on _____ by _____.

6. Assignment of Proceeding

Mark J. Ferron is the assigned Commissioner and David M. Gamson is the assigned ALJ in this proceeding.

Findings of Fact

1. Under the existing Commission process, Commission-jurisdictional LSEs submit their monthly RA plans to the Commission approximately 30 days prior to the beginning of the month.

2. In D.11-06-022, the Commission ended a rule in the RA program that had required Commission-jurisdictional LSEs to replace RA resources while these resources were on scheduled outage (known as the “replacement rule”), beginning with the 2013 program year.

3. On September 20, 2012, the CAISO filed proposed tariff modifications at the FERC to reflect its new RA scheduled outage replacement process.

4. On November 19, 2012, FERC issued an order conditionally accepting the CAISO’s proposed tariff revisions.

5. The new CAISO planned outage replacement process approved by FERC will require Commission-jurisdictional LSEs to submit a RA plan to the CAISO 45 days before the beginning of each month. In the event of planned outages on RA units, LSEs may file a revised RA plan 10 days before the beginning of the compliance month.

6. The Commission’s RA calendar is now inconsistent with the CAISO process and should be made consistent.

Conclusions of Law

1. The Rule 16.4(d) requirement to show why the Petition could not have been presented within one year of the effective date of the decision is satisfied, given the filing this September of CAISO tariffs at FERC.

2. D.12-06-025 adopted refinements to the RA program and otherwise continued the RA program in effect at the time, including the RA calendar; thus D.12-06-025 is the proper decision to modify in this instance.

3. PG&E's Petition for Modification of D.12-06-025 should be granted.

4. Per Rule 13.9, Official Notice is taken of the November 19, 2012, FERC order conditionally accepting the CAISO's proposed tariff revisions (141 FERC ¶ 61,135.)

O R D E R

IT IS ORDERED that:

1. The July 31, 2012 Petition for Modification of Decision 12-06-025 by Pacific Gas and Electric Company is granted.

2. The Resource Adequacy calendar is modified as shown in Attachment A.

3. Rulemaking 11-10-023 shall remain open.

This order is effective today.

Dated _____, at San Francisco, California.

Attachment A**2013 RA Calendar as Posted in 2013 RA Guide**

RA FILING MONTH	LOAD FORECAST MONTH	DUE DATE
Final 2013 Year-Ahead	January	October 31, 2012
January	February	November 30, 2012
February	March	December 31, 2012
March	April (with first Local RA August revised forecast)	January 31, 2013
April	May	February 28, 2013
May (first cycle)	June(with second Local RA August revised forecast)	April 2, 2013
June (first cycle)	July	April 30, 2013
July (second cycle)	August	May 31, 2013
August (second cycle)	September	July 1, 2013
September (second cycle)	October	July 31, 2013
October (second cycle)	November	September. 3, 2013
November (second cycle)	December	September. 30, 2013
December (second cycle)	January	October 31, 2013

New Adopted 2013 RA Calendar

RA FILING MONTH	LOAD FORECAST MONTH	DUE DATE
Final 2013 Year-Ahead	January	October 31, 2012
January	February	November 30, 2012
February	March	December 31, 2012
March	April (with first Local RA August revised forecast)	January 31, 2013
April	May	February 28, 2013
May (first cycle)	June(with second Local RA August revised forecast)	March 18, 2013 (16 th is Saturday)
June (first cycle)	July	April 17, 2013
July (second cycle)	August	May 17, 2013
August (second cycle)	September	June 17, 2013 (16 th is a Sunday)
September (second cycle)	October	July 18, 2013
October (second cycle)	November	August 16, 2013
November (second cycle)	December	September 17, 2013
December (second cycle)	January	October 16, 2013

(END OF ATTACHMENT A)