DMG/sbf 6/27/2013

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06-27-13
11:22 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.	Rulemaking 12-03-014 (Filed March 22, 2012)

ADMINISTRATIVE LAW JUDGE'S RULING REGARDING TRACK 4 MOTIONS AND TRACK 2 MODELS

1. Track 4 Motions

On June 12, 2013, Independent Energy Producers Association (IEP) filed a Motion to accelerate and modify the scope of Track 4 of this proceeding. Track 4 is the vehicle for consideration of long-term local capacity needs stemming from the now-closed San Onofre Nuclear Generating Station (SONGS) generators.

IEP requests that the schedule be accelerated so that a proposed decision can be issued as early as November 2013, instead of December 2013. IEP also seeks to include in the scope of Track 4 an expectation that there will be an order for expedited competitive procurement of the resources needed to meet identified needs.

On June 14, 2013, the California Wind Energy Association (CalWEA), the Large-scale Solar Association (LSA), and the Solar Energy Industries Association (SEIA) (collectively, the Joint Renewables Parties) filed a Motion to modify the scope of Track 4 of this proceeding to enable consideration of a more comprehensive approach to the retirement of SONGS. The Joint Renewables Parties support IEP's motion and agree that, given Southern California Edison

Company's (SCE's) announced retirement of SONGS, the Commission should (1) accelerate the schedule for Track 4 as much as reasonably possible, and (2) modify the scope of Track 4 to include identification of the precise resource needs resulting from the retirement of the facility and authorization to procure the needed resources.

SCE responded to the IEP Motion on June 17, 2013. SCE requests that the Motion be denied, because SCE cannot complete a careful evaluation of a range of resource plans to address the reliability needs in the western Los Angeles basin to replace SONGS before the August 26, 2013 date in the Revised Scoping Memo.

The schedule for Track 4 was established in the Revised Scoping Memo of May 21, 2013. The schedule took into account the requests of a number of parties at the May 10, 2013 prehearing conference to move Track 4 ahead of Track 2 (system needs track) to allow the Commission to decide Track 4 issues as soon as reasonably possible. As IEP appropriately notes in its Motion, "the precise resources needs to respond to the retirement of SONGS…should be determined by analysis, not guesswork."

California Independent System Operator testimony is due August 5, 2013 and SCE testimony is due August 26, 2013. All reply and rebuttal testimony will be served by October 7, 2013. The Scoping Memo anticipates a proposed decision by December 2013 if no evidentiary hearings (EHs) are required[1] and February 2014 if EHs are held. Due to the analytical complexity of modeling

[1] Parties must request EHs no later than October 7, 2013.

local needs without SONGS and considering replacement capacity options, it is not possible to reduce the procedural timeline any further.

Both IEP and Joint Environmental Parties request that Track 4 provide for consideration of a diverse set of resources to replace whatever the identified need will be in the absence of SONGS. There is no need to change the Revised Scoping Memo to address the requests of IEP and Joint Environmental Parties, as this activity and analysis is integral to the purpose of Track 4. Specifically, the Revised Scoping Memo anticipates "building resources to meet local capacity needs" which may be required without SONGS.[2] In order to ensure a complete record and a timely resolution of Track 4, parties – including SCE and the ISO – are expected to provide detailed testimony analyzing any reasonable resource options for filling the local reliability needs previously met by SONGS.

2. Track 2 Models

In a Ruling issued September 20, 2012, assumptions for Track 2 were established. These assumptions, along with four planning scenarios were adopted in Decision (D.) 12-12-010. In three of the scenarios, it was assumed that SONGS would return to service after the recent outages. Because of the permanent retirement of SONGS, it is prudent to update one of the adopted scenarios, the "High DG + High DSM" scenario. The nuclear retirement assumption for this scenario is updated to reflect the permanent closure of SONGS.

[2] The term "building" should not be interpreted to preclude any potential resources which can meet whatever local capacity needs are determined to be necessary without SONGS.

We are not changing the nuclear retirement assumption for the "Replicating TPP" scenario at this time. However, if the Independent System Operator provides the Commission with notification that it intends to change this case (pursuant to language in D.12-12-010, Attachment A, at 17), this change will be made administratively. For the "Base Case" scenario, there is no need to change the nuclear retirement scenario because the fourth scenario – "early SONGS retirement" – is a variation of the Base Case and already reflects this assumption.

IT IS RULED that:

1. The June 12, 2013 Motion of Independent Energy Producers Association is denied.
2. The June 14, 2013 Motion of the California Wind Energy Association, the Large-scale Solar Association, and the Solar Energy Industries Association is denied.
3. The nuclear retirement assumption from the September 20, 2012 Ruling in this proceeding for the "High DG + High DSM" scenario is updated to reflect the permanent closure of San Onofre Nuclear Generating Station.

Dated June 27, 2013, at San Francisco, California.

/s/ DAVID M. GAMSON
David M. Gamson
Administrative Law Judge