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PRESS RELEASE

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**CPUC TAKES ACTION TO ENSURE LONG-TERM
ENERGY SUPPLIES FOR LOS ANGELES**

SAN FRANCISCO, February 13, 2013 - The California Public Utilities Commission (CPUC) today authorized Southern California Edison (SCE) to procure between 1,400 and 1,800 megawatts (MW) of electrical capacity in the Los Angeles basin.

The decision requires that resources be located in a specific transmission-constrained area in Los Angeles in order to ensure adequate available electrical capacity to meet peak demand, and ensure the safety and reliability of the local electrical grid.

For the defined portion of the Los Angeles basin, at least 1,000 MW, but no more than 1,200 MW of this capacity must be procured from conventional gas-fired resources. At least 50 MW must be procured from energy storage resources. At least 150 MW must be procured through preferred resources (energy efficiency, demand response, and distributed generation), consistent with the Loading Order in the state's Energy Action Plan, or energy storage resources.

In the CPUC's next long-term procurement proceeding, expected to commence in 2014, the CPUC will evaluate whether there are additional localized electricity needs in California.

SCE must now file an Application for each local reliability area seeking approval of contracts arising from the procurement process authorized today. The Applications are expected in late 2013 or early 2014. Separately and earlier, SCE may also file applications for gas-fired generation in order to expedite review of such contracts.

"Today's decision takes a creative new approach to integrating preferred resources into our long-



term planning process,” said CPUC President Michael R. Peevey. “This approach is a major step forward in our efforts to reduce greenhouse gas emissions and fight climate change. It will also allow us to exercise a more strategic deployment of preferred resources by targeting them at geographic areas where they are most needed and designing them with operational characteristics that best suit the need.”

“Today’s decision begins the hard work of rebuilding antiquated electric infrastructure in and around Los Angeles,” said Commissioner Mike Florio. “Going forward, SCE’s customers will not be solely reliant on a fossil fueled electric supply. They will increasingly have their electric needs met by a competitive portfolio of energy efficiency, electric storage, demand response, and distributed generation. This is a critical step, bridging our past and future.”

Said Commissioner Catherine J.K. Sandoval, “This decision strikes the right balance between reliability, renewables development, and ratepayer interest. The decision allows flexibility to adjust the course if new conditions warrant.”

Added Commissioner Mark J. Ferron, “Through today’s decision we are taking the forward-looking step of allowing preferred resources, such as energy efficiency and renewables, to be considered in meeting electricity reliability needs right alongside of fossil generation instead of as an afterthought.”

Added Commissioner Carla J. Peterman, “This long-term procurement decision is an important step forward in securing reliable electric service for the people and the economy of the Los Angeles basin. At the same time, it charts a course toward a future in which California’s preferred resources, including energy efficiency, demand response, and renewable energy, play a greater role in serving the state’s electricity needs. The CPUC’s ongoing challenge is to ensure that we move toward an alternative energy future at reasonable cost.”

The proposal voted on today is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M050/K374/50374520.PDF>.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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