BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	Rulemaking 08-08-009 (Filed August 21, 2008)

SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M)
PETITION FOR MODIFICATION OF D.10-12-048

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I.
INTRODUCTION AND BACKGROUND

Pursuant to the Commission's Rules of Practice and Procedure, specifically Rule 16.4, San Diego Gas & Electric Company ("SDG&E") files this Petition For Modification ("the RAM PFM") of D.10-12-048 (the "RAM Decision") as proposed in SDG&E Advice Letter 2232-A submitted on February 25, 2011 (the "RAM AL").

This RAM PFM is a sequential, companion PFM to SDG&E's Petition For Modification filed on April 20, 2011, currently pending before the Commission, which requests modification of D.10-09-016 issued in SDG&E's Solar Energy Project Application (the "SEP Decision" or "SEP") in order to gain economic and administrative procurement efficiencies by combining the solicitation of 74 MWdc of local photovoltaic energy ("PV") provided in the SEP Decision with the solicitation process approved by the Commission via the Renewable Auction Mechanism ("RAM") provided. Given the overlap of the two PFMs, Administrative Law Judge ("ALJ") Ebke granted a shortened comment period for responses to the RAM PFM from 30 days to 15 days in an email dated June 24, 2011.

The Commission issued the SEP Decision on September 2, 2010 and provided for a specific solicitation process for the procurement of 74 MWdc of local PV from third parties

("SEP PV"). The Commission subsequently adopted the RAM Decision on December 16, 2010. In comparing the procurement provisions of both Decisions, SDG&E determined that ratepayer beneficial economic and administrative efficiencies would be gained if the SEP's 74 MWdc was to be merged with the MW to be acquired pursuant to the RAM and requests the merger of the SEP PV solicitation with the RAM Power Purchase Agreement ("PPA") solicitation, by folding in the procurement of the SEP PPAs into the RAM program. For reference, SDG&E asks in its Solar PFM that the Commission:

(1) remove the provision of the SEP that authorizes the 74 MWdc of PV to be procured under an SEP-specific PPA solicitation process and authorize SDG&E, instead, to solicit such 74 MWdc as part of SDG&E's approved RAM solicitation process pursuant to RAM procurement procedures;

(2) specify that the 74 MWdc of SEP PV shall be located within SDG&E's service area;

(3) lift the price cap for those MW attributable to the 74 MWdc of SEP PV to be included in the RAM solicitation process in order to allow market pricing for such MW consistent with the RAM solicitation process.

(4) allow in-process bilateral transactions currently being negotiated in good faith which are consistent with the second item above, if executed, to offset, on no less than a one to one basis, the 74 MWdc of SEP PV being added to the 81 MW RAM program capacity under the RAM Decision. This outcome would be consistent with the Commission's Decision, D.11-04- 008 which grants the petition to modify the RAM decision to eliminate the prohibition of bilateral contracting, lifts the ban on bilateral contracts for RPS resources sized 20MW or below and clarifies that the capacity associated with the bilateral contracts cannot count towards SDG&E's RAM program capacity cap. The Commission should provide that these above referenced bilaterals, if executed, will count towards the SEP sub-set of the RAM so long as the price of MW attributable to these bilaterals is lower than the RAM auction price.

Consistent with the SEP Decision's intent, the RAM Decision and SDG&E's Solar PFM, PV resources would be tied to SDG&E's system and not require major upgrades to either SDG&E's distribution or transmission systems. Moreover, the project size targeted by the SEP program, which is between 1 and 5 MW, will still be eligible for the RAM program. Although the RAM program allows for procurement of larger projects as well (up to 20 MW), the program is designed to encourage projects that do not require significant interconnection upgrades, which will likely result in procurement of projects in the smaller range that was targeted by SEP. In these ways, SDG&E's combined program strives to incorporate the goals of both the SEP and RAM decisions.

II.
MODIFICATIONS TO THE RAM DECISION

In order to gain the efficiencies of conducting a single consolidated solicitation for renewable resources for both SDG&E's SEP and RAM procurements, SDG&E urges the Commission to modify D.10-12-048 following Conclusions of Law to read as follows:

COL 17. Each of the three largest IOUs should conduct two RAM auctions per year; the three IOUs should hold RAM auctions simultaneously. SDG&E is authorized to extend its solicitation over a period of 4 years.

COL 21. RAM products should be baseload, peaking as-available, and non-peak as-available electricity. SDG&E is authorized to take, as a priority, deliveries of 74 MWdc from solar power projects located within its service territory consistent with the provisions of D.10-09-016.

COL 22. An IOU should define the products it would like to procure through RAM based on its portfolio need, and include this request in its implementation advice letter. SDG&E is authorized to conduct solicitations for solar power consistent with the provisions of D.10-09-016.

COL 28. Deliveries should be from projects in one of the IOU's service territories. SDG&E is authorized to take of 74MWdc from solar power located within its service territory consistent with the provisions of D.10-09-016.

III.
CONCLUSION

WHEREFORE, for the above stated reasons and those stated in SDG&E's Advice Letter 2232-A, SDG&E requests the Commission modify D.10-12-048 as set forth above.

Dated this 8th day of September, 2011.

Respectfully submitted

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