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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902M) for Approval of The SDG&E Solar Energy Project.	Application 08-07-017 (Filed July 11, 2008)

ADMINISTRATIVE LAW JUDGE'S RULING SETTING A SECOND PREHEARING CONFERENCE AND A WORKSHOP

Summary

This ruling sets a prehearing conference followed by a workshop for July 6, 2009, at 9:30 a.m. at the Commission's Courtroom to gather more information about the settlement agreement and alternative proposals, and discuss the schedule for the proceeding.

Background

San Diego Gas & Electric Company (SDG&E) filed this application on July 11, 2008 seeking approval of its Solar Energy Project. A prehearing conference (PHC) was held on October 7, 2008 to discuss the scope and the procedural issues related to the application. On November 3, 2008, the assigned Commissioner and the assigned administrative law judge (ALJ) issued a scoping memo and ruling establishing the scope and the schedule of the proceeding. Parties filed testimony and rebuttal testimony pursuant to the schedule established in the scoping memo. On the first day of the hearing scheduled for February 18, 2009, SDG&E requested suspension of the hearings so that it could meet and confer with parties on a joint proposal.

On March 20, 2009, SDG&E, Utility Consumers Action Network (UCAN), Western Power Trading Forum (WPTF), and CAlifornians for Renewable Energy (CARE) (collectively "Joint Parties") filed a joint motion seeking approval of a settlement agreement (SA) and continued suspension of the procedural schedule in the proceeding. The Joint Parties contend that the SA is reasonable in light of the whole record, consistent with the law, and in the public interest and meets Commission's Rule 12.1(d).

The Division of Ratepayer Advocates (DRA), The Independent Energy Producers (IEP), The Greenlining Institute (Greenlining), and the Solar Alliance and the Vote Solar Initiative (the Joint Solar Parties) filed timely comments to the motion. The Joint Parties filed a reply on May 5, 2009.

The Joint Solar Parties are generally supportive of the Joint Settlement and only offer expanding the program capacity. DRA, IEP, and Greenlining, however, have more substantive concerns with the SA.

DRA opposes the SA and believes it does not satisfy the criteria in Rule 12.1(d). DRA asserts the SA has significant deficiencies and introduces many material issues of disputed fact for which DRA believes evidentiary hearings are necessary.[1]

IEP opposes the SA as proposed, stating that it lacks the details of how several parts of the SA would fit together and asserts that some provisions of the SA are not consistent with the law as required by Commission Rule 12.1(d).

Greenlining alleges that the SA is unreasonable, is not in the public interest and does not resolve all the issues in the scoping memo. In Greenlining's view,

[1] DRA's response at 3.

the SA presents new issues that need to be addressed through a new application and new testimony.

Discussion

After reviewing the SA and the parties' responses, I have determined that additional information is needed in order to clarify the SA and other proposals, effectively evaluate the SA and determine if hearings are necessary and if so to what extent.

Overall, the responses raise several issues that require additional information and further clarification. For example, DRA and IEP allege the SA lacks sufficient information and seek clarification on key elements of the SA.[2] Also, several parties in their responses claim that hearings are required, although none identifies (as required by Commission's Rule 12.2) with any specificity the material contested facts that would require a hearing.

To help parties better understand the SA, and help clarify whether hearings are required and if so what issues need to be included in hearings, I am scheduling a technical workshop and a PHC to discuss the SA in more detail. The Joint parties should plan to make a presentation at the workshop explaining the key elements of the SA. The Joint Parties should make appropriate technical experts available for questions at the workshop. Parties are encouraged to attend the workshop and ask questions. Parties with alternative proposals are also encouraged to present their proposals at the workshop. The workshop will not be transcribed, the presentors will not be under oath, and there will be no formal

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[2] For example, DRA raised the concern in its comments that the total cost of the proposal is unknown. DRA comments at 10.

IEP states that the SA is vague, incomplete, and confusing with respect to certain ratemaking issues, the link between phase 1 and 2, and the terms of the proposed Power Purchase Agreements. IEP comments at 3-8.

cross examination. The purpose of the workshop is to gain a better understanding of the SA and any alternate proposals from parties and to provide parties with an opportunity to ask clarifying questions about the SA and alternate proposals. Parties will have an opportunity to file post workshop comments. In those comments, among other things, any party who thinks a hearing is necessary should (1) provide appropriate citation and specify the material contested facts that would require a hearing, pursuant to Rule 12.2. These comments should also set forth (2) justification for the hearing (why the fact is disputed and material); (3) what the moving party would seek to demonstrate through hearing; and (4) anything else necessary for the purpose of making an informed decision on this issue. While the parties have raised several policy issues that would be appropriate for the Commission to consider in the context of evaluating the SA and other proposals, those issues can be addressed through briefs rather than hearings.

I am contemplating the following proposed schedule, which we can discuss at the PHC.

Proposed Schedule:

Post Workshop Comments	July 14, 2009
Testimony (if needed)	August 3, 2009
Rebuttal Testimony (if needed)	August 28, 2009
Hearings (if needed)	October 6-7, 2009
Briefs (policy issues &post hearing issues)	November 2, 2009
Reply Briefs	November 18, 2009
Proposed Decision	February, 2010

IT IS RULED that:

1. A prehearing conference followed by a workshop is scheduled for Monday, July 6, 2009 at 9:30 a.m., in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California 94102.
2. Parties shall be prepared to discuss the proposed schedule.
3. The Joint Parties shall make a presentation at the workshop explaining the key elements of the SA. The Joint Parties shall make appropriate technical experts available for questions at the workshop.
4. Parties with alternative proposals shall make a presentation at the workshop.

Dated June 15, 2009, at San Francisco, California.

/s/ MARYAM EBKE

Maryam Ebke
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated June 15, 2009, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo