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**FILED**

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**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 10-05-006  
(Filed May 6, 2010)

**ADMINISTRATIVE LAW JUDGE'S RULING  
MODIFYING SYSTEM TRACK I SCHEDULE AND  
SETTING PREHEARING CONFERENCE**

This Ruling sets forth a new procedural schedule for Track I of this proceeding addressing system needs (System Track I). The new schedule is designed to maximize the number of modeling runs that can be accommodated, ensure due process, and allow for a Commission decision before the end of the year.

This Ruling identifies a potential issue relating to access to a computer model being used by the California Independent System Operator (ISO), and whether the level of access complies with Public Utilities Code Section 1822 and the Commission Rules of Practice and Procedure 10.3 and 10.4.

This Ruling also sets forth a process for the Commission to identify certain issues from Track III regarding policies and rules (Rules Track III) which may be considered concurrently with System Track I.

This Ruling sets a prehearing conference for February 28, 2011, at which parties will be given the opportunity to discuss certain aspects of the System

Track I schedule, access to computer models, and to recommend Rules Track III issues for consideration concurrently with System Track I.

Finally, attached to this Ruling are updated and corrected Attachments 1 & 2 (Standardized Planning Assumptions - Part 1 and Part 2), superseding Attachments 1 & 2 (Standardized Planning Assumptions - Part 1 and Part 2) attached to the December 3, 2010 Ruling. The changes to these attachments consist primarily of state-wide energy efficiency incremental uncommitted energy tables and corrections to the 20% Trajectory Renewable Portfolio Standard (RPS) scenario due to a calculation error in the RPS calculator.

### **System Track I Schedule**

One issue affecting the procedural schedule for System Track I is that a significant part of the record will be based upon the results of time-consuming PLEXOS modeling runs within the California Independent System Operator's (ISO) renewables integration model. The Commission will be considering evidence including the results of modeling runs that incorporate differing renewable generation scenarios and planning assumptions.

In an ideal world, all plausible scenarios would be modeled, and the Commission would consider the resulting full range of options. Given the significant amount of time each model run requires, and the need for a timely decision in this proceeding, such an approach is not feasible here. Accordingly, for purposes of a Commission decision this year, the record of this proceeding will necessarily consist of a limited number of modeling runs and sensitivities<sup>1</sup> based upon a subset of all of the potential scenarios. However, because this is a

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<sup>1</sup> Sensitivities are renewables scenarios that vary by just one input, assumption or method from a given renewables scenario.

recurring proceeding, the Commission may consider additional scenarios and model runs in the future.

The scenarios to be used for the modeling runs in this portion of this proceeding will be selected from a universe consisting of 1) the required scenarios previously developed by Commission staff (see December 3, 2010 Scoping Memo, pp. 28-30) and 2) additional scenarios recommended by the parties. The total number of scenarios that will be modeled and considered in this proceeding is dependent upon the resources and cooperation of the parties, particularly the utilities and the ISO.

The ISO is currently engaged in preparing and running the required scenarios. The ISO expects to have results from two modeling runs by late March or early April. In addition, the major utilities have the ability to perform additional PLEXOS runs in that same time frame, dependent upon their obtaining certain input assumptions and information from the ISO. This would provide a more robust record for the Commission, and accordingly the utilities are directed to work cooperatively with the ISO to maximize the number of model runs of the required scenarios that will be available to the Commission for this proceeding.

The results of all available completed modeling runs and sensitivities will be served, in the form of testimony, on April 13, 2011. This testimony shall also include the relevant Portfolio Evaluation Criteria (see Attachment 1, Standardized Planning Assumptions, pp. 4-7) and all related supporting documentation, including workpapers.

To ensure that all parties fully understand this testimony and to reduce the need for discovery, the ISO and the utilities will present and explain the process

and results of their modeling runs at an informal meeting or workshop, noticed to the service list in this proceeding, to be held no later than April 20, 2011.

Parties who want other scenarios to be modeled shall present their recommended scenarios in comments, to be filed on April 29, 2011.<sup>2</sup> These comments shall include the relevant Portfolio Evaluation Criteria, Load and Resource tables, justification for what assumptions have been changed from the Standardized Planning Assumptions for alternative scenarios, and all related supporting documentation, including workpapers.<sup>3</sup>

The assigned Administrative Law Judge (ALJ) and/or the assigned Commissioner will determine, via a Ruling, which additional scenarios should be modeled from among the required staff scenarios and the parties' recommended scenarios. The results of the modeling runs and sensitivities based upon these additional scenarios, as well as the alternative scenarios parties have prepared, along with the required metrics and justifications, shall be served as testimony on June 10, 2011.

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<sup>2</sup> Because this is to provide an opportunity for parties to recommend alternative scenarios for additional modeling runs, rather than rebut or otherwise respond to the results of the modeling runs served on April 13, 2011, it is presumed that parties will begin preparation of any alternate scenarios prior to April 13, 2011.

<sup>3</sup> See Attachment 1 - Standardized Planning Assumptions for the required metrics and values.

Once these additional scenarios are served, parties will be provided the opportunity to present testimony, cross examine witnesses at evidentiary hearings, and submit briefs. The schedule for System Track 1 is set forth below:

ISO and utilities serve testimony consisting of the results of modeling runs, plus supporting data	April 13, 2011
ISO and utilities presentation on their testimony	No later than April 20, 2011
All parties may file and serve comments recommending alternate scenarios for modeling runs	April 29, 2011
Ruling issues identifying other scenarios to be used for modeling runs.	May 6, 2011
ISO and utilities serve testimony consisting of the results of the additional modeling runs.	June 10, 2011
All parties serve opening testimony.	July 8, 2011
All parties serve reply testimony.	July 22, 2011
Evidentiary Hearings	August 1 - August 12, 2011
Opening Briefs	August 26, 2011
Reply Briefs	September 9, 2011
Proposed Decision	November 1, 2011
Decision on Commission Agenda	December 1, 2011

**Access to Computer Models**

Pub. Util. Code § 1822 requires that any computer model that is the basis for any testimony in a Commission proceeding be available to the parties, and further requires that testimony based on a computer model shall include all of the equations and assumptions built into the model. The December 3, 2010 Scoping Memo for this proceeding states:

Because of the extensive use of models in this proceeding, parties are reminded that access to computer models and related databases and documentation is required to be consistent with Rules 10.3 and 10.4 and Pub. Util. Code § 1822.

This issue was also raised and briefly discussed at the prehearing conference on December 20, 2010. (Transcript, vol. PHC-2, pp. 146-148.)

Subsequently, in response to a data request in this proceeding, the ISO stated:

For the Step 1 analysis the ISO used software developed by Pacific Northwest National Laboratory (PNNL). The ISO cannot make the software available due to commercial licensing restrictions but has made the input data available [.] (*Responses of the California Independent System Operator to the First Set of Data Requests from L. Jan Reid*, Response to Data Request No. 1, dated February 1, 2011.)

This response appears to raise potential issues relating to compliance with Rules 10.3 and 10.4 and Pub. Util. Code § 1822. Accordingly, the ISO and other parties should be prepared to address this issue further at the prehearing conference described below.

### **Rules Track III Issues**

A number of parties have argued that certain Rules Track III issues need to be addressed on a more definitive schedule than set forth in the December 3, 2010 Scoping Memo.<sup>4</sup> It may be possible to address a limited number of Rules Track III issues concurrently with System Track I. Opening testimony on these

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<sup>4</sup> See, e.g. *Motion of the Independent Energy Producers Association for Reconsideration of the Schedule for this Proceeding*, dated January 26, 2011 (IEP Motion).

issues would be served on July 8, 2011, and the schedule would then follow the System Track I schedule set forth above.

Accordingly, parties are directed to consider which, if any, Rules Track III issues they would recommend the Commission consider on the schedule set forth above for System Track I. Because only a limited number of System Track III issues could be considered and resolved on this schedule, parties are directed to be selective in their recommendations.

### **Prehearing Conference**

A prehearing conference will be held on February 28, 2011 at 1:30 p.m., at the Commission Courtroom, 505 Van Ness Avenue, San Francisco, CA 94102. The purpose of this prehearing conference is to 1) allow parties to present and discuss which Rules Track III issues they believe should (or should not) be addressed concurrently with System Track I on the schedule set forth above; 2) explore what modeling runs will be available to the Commission; 3) discuss issues relating to access to computer models; and 4) discuss other scheduling issues for System Track I and Rules Track III, including the IEP Motion.

The parties should be aware that the assigned ALJ intends to issue shortly a separate proposed decision on the issue of the implementation of Senate Bill 695 and its relationship to the Commission's Cost Allocation Mechanism. The parties previously filed and served comments on this issue, in response to a Ruling by ALJ Kolakowski.<sup>5</sup>

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<sup>5</sup> *Administrative Law Judge's Ruling on the Implementation of SB 695 and the Cost Allocation Mechanism (Track III)*, dated September 14, 2010.

Parties may file and serve a prehearing conference statement no later than February 23, 2011, but are not required to do so. Prehearing conference statements shall be no more than six pages, and shall focus on identifying specific Rules Track III issues that should be addressed concurrently with System Track I on the schedule set forth above.

**IT IS RULED that:**

1. The procedural schedule for System Track I is set forth above.
2. A prehearing conference is set for February 28, 2011, at 1:30 p.m. at the Commission Courtroom, 505 Van Ness Avenue, San Francisco, CA 94102.
3. Parties may address scheduling issues at the prehearing conference, including the IEP Motion.
4. Parties should be prepared at the prehearing conference to discuss issues relating to access to computer models.
5. Parties may file and serve prehearing conference statements of no more than six pages no later than February 23, 2011, but are not required to do so. Prehearing conference statements shall focus on identifying specific Rules Track III issues that should be addressed concurrently with the System Track I schedule.
6. The utilities are to work cooperatively with the ISO to maximize the number of model runs of the required scenarios available to the record of this proceeding.

7. Attached to this Ruling are updated and corrected Attachments 1 & 2 (Standardized Planning Assumptions - Part 1 & 2) superseding Attachments 1 & 2 (Standardized Planning Assumptions - Part 1 & 2) attached to the December 3, 2010 Ruling.

Dated February 10, 2011, at San Francisco, California.

          /s/ PETER V. ALLEN            
Peter V. Allen  
Administrative Law Judge

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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 February 10, 2011, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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