



FILED

05-20-08
01:28 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement the Commission's Procurement Incentive Framework and to Examine the Integration of Greenhouse Gas Emissions Standards into Procurement Policies.

Rulemaking 06-04-009
(Filed April 13, 2006)

**ADMINISTRATIVE LAW JUDGES' RULING
MODIFYING SCHEDULE AND CORRECTING SUGGESTED OUTLINE
FOR COMMENTS AND REPLY COMMENTS**

1. Schedule for Comments and Reply Comments

In an April 16, 2008 ruling, we provided that parties may file comments on greenhouse gas (GHG) emission allowance allocation methodologies and other matters no later than May 27, 2008 and reply comments no later than June 10, 2008. In three subsequent rulings dated May 1, May 6, and May 13, 2008, we provided additional guidance regarding the issues to be addressed in the comments and reply comments.

Numerous parties have requested informally that the due dates for the comments be extended, citing the delay that occurred in posting the GHG calculator developed by consultants Energy and Environmental Economics, Inc., concurrent activities and deadlines at the California Air Resources Board (ARB), and the breadth and importance of issues to be addressed in the comments. We extend the due dates as set forth below.

2. Correction to Suggested Outline for Comments and Reply Comments

We have found an error in the suggested outline for parties' comments and reply comments that was included in the May 13, 2008 ruling. In Section III.B of the suggested outline, the reference to Question 6 should be deleted. A corrected copy of the suggested outline is included below for parties' use.

Suggested Outline for Parties' Comments and Reply Comments Corrected May 20, 2008

| | <u>Specific Questions in Identified Rulings</u> |
|--|---|
| I. Summary | |
| II. General issues | Q3, Q10-Q13 (5/13/08); Q1(a), Q1(b), Q2, and Q3 (5/6/08) |
| III. Allowance allocation | |
| A. Detailed proposal | Q1 and Q10 (4/16/08) |
| B. Response to staff paper on allowance allocation options and other allocation recommendations | Q8-Q13 (4/16/08) |
| C. Legal issues | Q2-Q7 (4/16/08) |
| IV. Flexible compliance | |
| A. Detailed proposal | Q1 (5/6/08) |
| B. Scope of market and related issues | Q1(a)-Q1(d), Q4, Q5 (5/6/08) |
| C. Price triggers and other safety valves | Q6-Q7 (5/6/08) |
| D. Linkage | Q8-Q11 (5/6/08) |
| E. Compliance periods | Q12-Q13 (5/6/08) |
| F. Banking and borrowing | Q14-Q16 (5/6/08) |

| | <u>Specific Questions in Identified Rulings</u> |
|--|---|
| G. Penalties and alternative compliance payments | Q17-Q20 (5/6/08) |
| H. Offsets | Q21-Q26 (5/6/08) |
| I. Legal issues | Q27-Q31 (5/6/08) |
| V. Treatment of CHP | |
| A. Detailed proposal | Q1 (5/1/08) |
| B. Regulation of CHP GHG emissions | Q2-Q15, Q17, Q24 (5/1/08) |
| C. CHP as an emission reduction measure | Q16, Q18-Q21, Q23 (5/1/08) |
| D. Legal issues | Q22 (5/1/08) |
| VI. Non-market-based emission reduction measures (other than CHP) and emission caps | |
| A. Electricity emission reduction measures | Q1-Q2, Q5 (5/13/08) |
| B. Natural gas emission reduction measures | Q1-Q2 (5/13/08) |
| C. Annual emission caps for the electricity and natural gas sectors | Q4 (5/13/08) |
| D. Legal issues | Q6, Q7 (5/13/08) |
| VII. Modeling issues | |
| A. Methodology | Q8 (5/13/08) |
| B. Inputs | Q9 (5/13/08) |
| C. Results reported by E3 | |
| D. Additional modeling and scenarios to support parties' comments | |
| Attachment to comments: Copies of scenario documentation tab for any referenced alternative scenarios that use the E3 GHG calculator | |

3. Filing Requirements

All parties filing comments or reply comments should file them at the Public Utilities Commission's Docket Office and should serve them consistent with Rules 1.9 and 1.10 of the Public Utilities Commission Rules of Practice and Procedure and Resolution ALJ-188. The parties should serve their comments and reply comments on the service list for Rulemaking (R.) 06-04-009 posted at www.cpuc.ca.gov when the filings are due, and should mail a hard copy of the filings to the assigned Commissioner and assigned Administrative Law Judges.

To support the ability of the Public Utilities Commission and the California Energy Commission (Energy Commission) to develop joint recommendations to ARB, we ask that parties submit their comments and reply comments both in R.06-04-009 and to the Energy Commission's docket 07-OIIP-01.

Procedures for submitting the filings to the Energy Commission are included here for the parties' convenience. The Energy Commission encourages comments by e-mail attachments. In the subject line or first paragraph of the comments, include **Docket 07-OIIP-01**. When naming your attached file, please include your name or your organization's name. The attachment should be either in Microsoft Word format or provided as a Portable Document File (PDF). Send your comments to docket@energy.state.ca.us and to project manager Karen Griffin at kgriffin@energy.state.ca.us. In addition to electronic filing, **one paper copy** must also be sent to:

California Energy Commission
Docket Office, MS-4
Re: Docket No. 07-OIIP-01
1516 Ninth Street
Sacramento, CA 95814-5512

IT IS RULED that:

1. Parties may file comments no later than June 2, 2008 that address the issues identified in prior rulings dated April 16, May 1, May 6, and May 13, 2008, and the materials appended to those rulings. Parties may file reply comments no later than June 16, 2008.

2. Parties shall file their comments and reply comments at the Public Utilities Commission's Docket Office and shall serve them consistent with Rules 1.9 and 1.10 and Resolution ALJ-188. The parties shall serve their filings on the service list for R.06-04-009 posted at www.cpuc.ca.gov when the filings are due, and shall mail a hard copy of the comments to the assigned Commissioner and the assigned Administrative Law Judges.

Dated May 20, 2008, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST

Charlotte F. TerKeurst
Administrative Law Judge

/s/ JONATHAN LAKRITZ

Jonathan Lakritz
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 May 20, 2008, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo