BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of San Diego Gas & Electric Company (U-902-E) for a Certificate of Public Convenience and Necessity for the Sunrise Powerlink Transmission Project.	A.06-08-010 (Filed August 4, 2006) A.05-12-014 (Filed December 14, 2005)

PROTEST BY THE DIVISION OF RATEPAYER ADVOCATES

I. INTRODUCTION

Pursuant to Rules 44 through 44.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure and the August 25, 2006 Ruling entitled *Administrative Law Judge's Ruling Setting Date for Prehearing Conference Statements and Extending Time for Filing Protests*, the Division of Ratepayer Advocates ("DRA") respectfully submits this Protest to the above-captioned Application by San Diego Gas & Electric Company ("SDG&E") for a Certificate of Public Convenience and Necessity ("CPCN") to construct the transmission project referred to as the Sunrise Powerlink Transmission Project ("Sunrise Project"). DRA filed an initial Protest in this proceeding on January 18, 2006. This January 18, 2006 Protest argued that SDG&E's Application failed to comply with the basic statutory requirements set forth in section 1001 of the Public Utilities Code[1] applicable to CPCN applications. Subsequently, on August 2, 2006, SDG&E supplemented its Application. After reviewing SDG&E's August 2, 2006 Application, this Protest raises new issues regarding SDG&E's Application. Based on DRA's initial review of this Application, DRA notifies the Commission that the below-

[1] All section references herein are to the Public Utilities Code unless otherwise indicated.

noted areas merit further analysis as part of the Commission's review of the authority sought by SDG&E.

II. ISSUES

DRA's analysis will be guided by the statutory requirements of the Public Utilities Code, including Sections 1001 *et seq.* and Section 1002.3, and all applicable rules and regulations applicable to proposed transmission projects within the State of California. DRA's analysis will include, but not be limited to, the following:

- **Economic Benefits**

The Application filed in August reports a benefit-cost ratio of 3.57, which is significantly higher that the 1.1 benefit-cost ratio submitted in the Application filed in December. In other words, SDG&E asserts that this transmission project was barely economical last year and is now highly economic. DRA will investigate the assumptions, modeling, and all other factors related to the economic analysis of the Sunrise Project.

- **Renewable Energy**

SDG&E asserts that the Sunrise Project will promote access to renewable energy resources and aid compliance with the renewable portfolio standard ("RPS"). DRA will investigate whether SDG&E can meet the RPS statutory requirements and the Commission-imposed goals of procuring a designated percentage of electricity from renewable resources through other cost-effective means without the Sunrise Project. DRA will also weigh the value of promoting renewables as a relevant consideration under section 1001 *et seq.* in this particular case. Lastly, DRA will review the Application under FERC's open access requirements.

- **Alternatives to the Sunrise Project**

The Application does not appear to sufficiently address non-wires alternatives for the Sunrise Project. As such, DRA will investigate whether the analysis of the Sunrise Project fully comports with the requirements of section 1002.3 that "In considering an application for a certificate for an electric transmission facility pursuant to Section 1001, the commission shall consider cost-effective alternatives to transmission facilities that

meet the need for an efficient, reliable, and affordable supply of electricity, including, but not limited to, demand-side alternatives such as targeted energy efficiency, ultraclean distributed generation, as defined in Section 353.2 and other demand reduction resources." Interestingly, SDG&E's testimony states that "Resource planning is not the focus of this analysis." (SDG&E Testimony Vol. 2, Part 1, p. IV-43.) DRA intends to fully review this testimony to ensure that SDG&E has complied with the requirement in section 1002.3 that non-wires alternatives be considered. As such, in contrast to SDG&E assessment, DRA's analysis will focus on resource planning and integrated need to provide the Commission with an analysis that reflects all viable alternatives.

- **Reliability**

DRA will investigate other alternatives, such as non-wires alternatives, to determine whether Sunrise is the best alternative for addressing the reliability concerns in the San Diego area identified by the Commission and by the California Independent System Operator. DRA will also provide an analysis of whether, from a reliability stand point, SDG&E's estimate for the need for the Sunrise Project in 2010 is accurate based on the development of other potential resources, such as the South Bay Replacement Project.

Additional matters worthy of Commission review may come to DRA's attention after further analysis of SDG&E's Application and, at the appropriate time, DRA will advise the Commission of these matters.

III. PROCEDURAL MATTERS

DRA agrees with SDG&E that the proceeding be treated as ratesetting. DRA believes that hearings will be necessary. While DRA is committed to resolving this Application as quickly and efficiently as possible, DRA does not fully agree with the procedural schedule proposed by SDG&E. The team that DRA has put together to analyze the Sunrise Project will need until at least the end of March 2007 to complete its testimony. Therefore, DRA suggests the alternative schedule below. DRA's proposal differs from SDG&E's proposal in that Intervenor Testimony is scheduled later than the

proposal by SDG&E but DRA proposes less time in several other areas. This results in pushing out the final date in SDG&E's schedule by only one additional month. In addition, DRA suggest incorporating into the schedule specific dates for the parties to meet with SDG&E to discuss discovery requests. It is DRA's intent that such meetings will serve to expedite discovery and assist in fully informing all parities of the status of the issues. The specific dates of DRA's proposed schedule are set forth below:

August 4, 2006 SDG&E filed Amended Application

September 11, 2006 Protests due

September 13, 2006 PHC

September 18, 2006 SDG&E Replies to Protests

October 2, 2006 Scoping memo

November 1, 2006 Initial Discovery Meeting

December 13, 2006 Follow-up Discovery Meeting

March 26, 2007 Intervenor Testimony

April 9, 2007 Rebuttal Testimony

April 23-27, 2007 Hearings

May 25, 2007 Concurrent Opening Briefs

June 8, 2007 Concurrent Reply Briefs

April 2007 Draft EIR (followed by 90 day comments period)

August 2007 Final EIR

August 2007 Proposed Decision

September 2007 Final Decision

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IV. CONCLUSION

WHEREFORE, DRA requests that the Commission adopt the proposed schedule set forth herein and consider the issues summarized above.

Respectfully submitted,

/s/ REGINA M. DEANGELIS

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September 11, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **PROTEST BY THE DIVISION OF RATEPAYER ADVOCATES** in **A.06-08-010 AND A.05-12-014** by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

[ ] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on September 11, 2006 at San Francisco, California.

/s/ ALBERT HILL
Albert Hill

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 and/or e-mail address to insure 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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