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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
ON PROCUREMENT REQUIREMENTS SUMMARY DOCUMENT
(A.K.A. "RULEBOOK") – TRACK III**

1. Background

The Administrative Law Judge (ALJ) in this proceeding issued a ruling on May 28, 2010 (Ruling), noticing a series of workshops and transmitting the first of several Energy Division staff (Staff) proposals regarding procurement planning policies and assumptions. The Ruling stated that rulings would be issued transmitting additional Staff proposals regarding several matters, including the Procurement Requirements Summary Document (a.k.a. Rulebook) to be discussed in Track III of the present proceeding. The present ruling transmits Staff's proposals regarding the Rulebook, confirms the workshop and comment schedule for the Rulebook, and requests comments on specified matters.

2. Procurement Requirements Summary Document (a.k.a. Rulebook)

A. Goals for the Rulebook

The Rulebook is intended to be a complete, clear compendium of current California Public Utilities Commission (CPUC) procurement requirements. The Rulebook should include all rules relevant to the procurement of

conventional generation, energy, capacity, congestion, and hedging products, including associated oversight, reporting, and filing requirements. Rules in the Rulebook should be expressed in unambiguous, simple, and concise language. Users of the Rulebook (Staff, utility staff, procurement review group members, etc.) should be able to refer to the Rulebook for a quick and easy, yet accurate, comprehensive and detailed reference to procurement rules.

In addition to general procurement rules, the Rulebook currently includes an enumeration of rules for compliance with Resource Adequacy (RA) provisions. Staff envisions that in the future, the Rulebook will also encompass rules on the procurement of renewable portfolio standard resources, demand response, and energy efficiency. However, this expansion in scope is not a near-term goal.

The Rulebook will need to be updated from time to time. Staff envisions that major procurement decisions will adopt updated versions of the Rulebook, as needed. Other decisions (e.g. RA decisions) may also make rule changes which should be reflected in the Rulebook. Parties and staff should seek to include such changes in future revisions to the Rulebook as soon as possible.

B. Requested Topics for Comment on the Rulebook

Generally, comments are requested to address the extent to which the draft Rulebook meets the goals described above, and to focus on improvements.

Given the complexity of the Rulebook and the limited time set for comment in the Ruling, we do not anticipate that this will be the final opportunity for comment on the Rulebook; nevertheless, parties are encouraged to provide thorough comments and to set forth any concerns that they have identified. Parties are encouraged to give specific examples to support their

comments, but failure to address any particular example will not preclude a party from addressing it in future comments.

Some specific, broad themes that parties may wish to address in their comments are:

1. Scope – Does the Rulebook include all relevant rules? What specific rules (or types of rules) should be added? Are any currently included rules unnecessary, and should they be omitted? (Please be as specific as possible.)
2. Structure – Is the structure and format of the Rulebook conducive to clarity and ease of use?

Additionally, comments on the following potential defects in the actual Rulebook would be helpful to Staff. We request that parties make these comments as clearly as possible by separately identifying each proposed change of the following types:

1. Omission – If the draft Rulebook omits a previously adopted procurement rule, please highlight the omitted rule by citing a precise reference to a previously adopted CPUC decision or other authority. Such references should be as specific as possible (for example, identify a specific ordering paragraph). Also, please briefly describe where the rule should be placed in the draft Rulebook and propose the text to be added.
2. Mischaracterization – If the draft Rulebook mischaracterizes an adopted rule, please identify the specific Rulebook section and the order (for example, identify a specific ordering paragraph) that it mischaracterizes. Briefly describe why/how the Rulebook

inaccurately states the order and propose alternative language for the Rulebook.

3. Vagueness, Contradiction, or other Ambiguity – If the draft Rulebook is ambiguous for any reason, please specifically identify the problematic section(s), briefly explain the potential confusion, and propose alternative language for the Rulebook.
4. Inclusion of an Out-dated Rule – If the draft Rulebook includes a rule that has been superseded by a more recent directive, please specifically identify the out-dated rule and specific reference to the superseding rule. Please be specific (for example, identify a specific ordering paragraph) and propose alternative language for the Rulebook.

In addition, comments on the appendices to the Rulebook would be helpful. In a manner similar to the comments described above, please be specific in noting any errors in the appendices.

In addition, Energy Division shall separately publish a “matrix” of procurement requirements before the conclusion of the workshop (see below). This matrix is intended to be a quick reference to identify the relevant sections of the rulebook for certain specific procurement practices.

Parties are encouraged to comment on the procurement requirements matrix, once available. Staff is particularly interested in parties’ positions on the usefulness of the matrix in meeting the overall goals of the Rulebook, as well as the matrix’s completeness and accuracy. For clarity, parties may wish to provide a revised matrix, depicting any proposed revisions to the matrix and/or depicting proposed changes to the Rulebook.

3. Workshop

Pursuant to the Ruling, a workshop has been set for Friday, June 11, 2010 at 1 p.m., in the Commission Auditorium, State Office Building, 505 Van Ness Avenue, San Francisco, California, to discuss the Procurement Requirements Summary Document (a.k.a. Rulebook).

4. Comments

Pursuant to the Ruling, initial comments on the Procurement Requirements Summary Document (a.k.a. Rulebook) are due on Monday, June 21, 2010. Reply Comments are due on Monday, June 28, 2010.

Parties are encouraged to provide short, clearly worded comments, but no page limit shall be imposed, given the complex nature of the Rulebook.

5. Schedule

Comprehensive Preliminary Schedule

Proceeding Milestone	Date
Workshop on the Procurement Requirements Summary Document (a.k.a. Rulebook)	Friday, June 11, 2010, at 1 p.m.
Comments on the Procurement Requirements Summary Document (a.k.a. Rulebook)	Monday, June 21, 2010
Reply Comments on the Procurement Requirements Summary Document (a.k.a. Rulebook)	Monday, June 28, 2010

6. Attachments

The following attachments are included with this ruling:

- Attachment 1: Energy Division Proposal for the Procurement Requirements Summary Document (a.k.a. Rulebook).

Therefore, **IT IS RULED** that:

1. The Proposed Procurement Requirements Summary Document (a.k.a. Rulebook) is transmitted herewith as Attachment 1.
2. A workshop remains scheduled for Friday, June 11, 2010 at 1 p.m., in the Commission Auditorium, State Office Building, 505 Van Ness Avenue, San Francisco, California, regarding the Procurement Requirements Summary Document (a.k.a. Rulebook).
3. Initial comments on the Procurement Requirements Summary Document (a.k.a. Rulebook) remain due on Monday, June 21, 2010, as described herein.
4. Reply Comments on the Procurement Requirements Summary Document (a.k.a. Rulebook) remain due on Monday, June 28, 2010, as described herein.

Dated June 2, 2010, at San Francisco, California.

/s/ JANET A. ECONOME for
Victoria S. Kolakowski
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 June 2, 2010, at San Francisco, California.

 /s/ CRISTINE FERNANDEZ
Cristine Fernandez

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.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.