**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

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| Order Instituting Rulemaking to Integrate and Refine Procurement Policies Underlying Long-Term Procurement Plans. | ) ) ) ) | Rulemaking 08-02-007 (Filed February 14, 2008) |

# PRE-WORKSHOP QUESTIONS AND COMMENTS

# OF THE UTILITY REFORM NETWORK

# REGARDING THE ENERGY DIVISION STRAW PROPOSAL

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July 21, 2009

**PRE-WORKSHOP QUESTIONS AND COMMENTS OF TURN**

Pursuant to the *Amended Assigned Commissioner's Ruling and Scoping Memo on the 2008 Long-Term Procurement Proceeding Phase I,* issued July 1, 2009, as amended by the e-mail from Simon Baker of July 13, 2009, TURN offers the following "pre-workshop questions", "comments on the timeline", and responses to "questions 28-32 of Attachment 4".

TURN first wishes to commend the Energy Division (ED) for its considerable and thoughtful efforts to prepare the Straw Proposal. The Straw Proposal illustrates in one central document the many challenges the Commission, utilities and other parties face in crafting long-term resource plans that are both reasonably timely and fully address many intertwined and overlapping challenges. As such, it provides a valuable service to the Commission and all parties.

TURN also appreciates the Straw Proposal's differentiation between System and Bundled plans, thus highlighting the Investor-Owned Utilities' (IOUs') dual roles as guarantors of system reliability for all of their wires customers and providers of energy to the "bundled" customer subset. It is important the Commission keep the distinction between these roles firmly in mind in addressing the LTPP and other power market and cost allocation issues, with the goal of ensuring that the sets of customers that benefit from each separate service pay the utilities' costs of providing each separate service.

**Pre-Workshop Questions**

TURN is not providing specific "pre-workshop questions" regarding the Straw Proposal, except as by implied by its "comments on the timeline" below.

**Comments on Timeline**

The timelines proposed for either the Consecutive or Concurrent approach to developing plans might at first appear to provide substantial opportunity for the IOUs to perform analysis and other parties to review and assess such analyses. However, based on its long experience with Commission procedures, TURN is concerned that the proposal's apparent good intentions will not be achieved. Rather, TURN believes the LTPP schedules must include *more time between the filing of LTPPs and the start of hearings* than two to three months[1] to allow parties to conduct discovery, prepare direct testimony, prepare rebuttal testimony, and prepare for hearings. A schedule allowing about six months for all of these tasks is more appropriate. Some parties will require such time regardless of the amount of "input" they have provided in the "comments" to be provided between the IOUs' earlier filings,[2] especially if the IOUs' reactions to such comments is less than welcoming.

TURN does see the value in providing parties a chance to preview and comment on inputs, scenarios, and possible portfolios before the IOUs file their plans. TURN suggests that completing the Straw Proposal's Steps 1 to 8[3] in a single iteration would facilitate faster completion of these tasks, and allow parties to conduct the more detailed post-filing analyses mandated by the Commission's due process requirements. In particular, it might allow the completion of the proposed "Consecutive" approach in less than two years, that is, the approval of a Bundled Plan in less than two years and a System Plan in even less time than that.

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[1] See Steps 8 and 9 on page 63.
[2] See Steps 3 and 6 on page 62.
[3] See pages 62 and 63.

**Questions 28-32 of Attachment 4**

TURN offers the following answers to Questions 28 to 32 of Attachment 4.

**Q28**. Can your respective organization staff all the various ongoing pieces of the Procurement process as outlined the Staff Proposal? Please comment on both models.

**A28**. As always, TURN will be hard-pressed to engage on all the various LTPP issues in either model, though the above schedule changes would mitigate that challenge.

**Q29**. Is it a reasonable expectation to have overlapping LTPP proceedings, such as in the consecutive model which would require simultaneous consideration of 2010 LTPP **Bundled Plans** and 2012 LTPP **System Plans** (unless 2010 LTPP **Bundled Plans** are decoupled and accelerated)?

**A29**. The Commission and parties could manage such overlapping processes, but the Commission will generally be best-served by avoiding such overlaps.

**Q30**. Under the consecutive approach, **System Plans** would become effective upon issuance of a Commission decision approximately 5 months after the **System Plan** is filed and approximately 18 months after the OIR. Is this a reasonable approach? If not, why not?

**A30**. Implementation of a System Plan about 18 months after an OIR is issued is a reasonable target, but implementation of such a plan five months after its filing is not. See TURN's comments above on schedule.

**Q31**. Under the consecutive approach, **Bundled Plans** would become effective upon issuance of a Commission decision approximately 4 months after the **Bundled Plan** is filed and approximately 27 months after the OIR. *i.e.*, 2010 bundled plans would become

effective approximately Q3 2012 unless **Bundled Plans** are decoupled and accelerated). Is this a reasonable approach? If not, why not?

**A31**. Implementation of a Bundled Plan about 27 months after an OIR is issued is too slow a target, and implementation of such a plan four months after its filing is too fast a target. See TURN's comments above on schedule.

**Q32**. Under the concurrent approach, **System and Bundled** plans would become effective upon issuance of a Commission decision approximately 6 months after the **Combined Plans** are filed and approximately 23 months after the OIR. (i.e., 2010 **System & Bundled Plans** are effective Q4 2011.) Is this a reasonable approach? If not, why not?

**A32**. Implementation of both plans about 23 months after an OIR is issued is a reasonable target, but implementation six months after such plans' filing is not. See TURN's comments above on schedule.

Respectfully submitted,

**THE UTILITY REFORM NETWORK**

July 21, 2009

By: _____/S/_____

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CERTIFICATE OF SERVICE

I, Larry Wong, certify under penalty of perjury under the laws of the State of California that the following is true and correct:

On July 21, 2009 I served the attached:

**PRE-WORKSHOP QUESTIONS AND COMMENTS**

**OF THE UTILITY REFORM NETWORK**

**REGARDING THE ENERGY DIVISION STRAW PROPOSAL**

on all eligible parties on the attached lists **R.08-02-007** by sending said document by electronic mail to each of the parties via electronic mail, as reflected on the attached Service List.

Executed this July 21, 2009, at San Francisco, California.

/S/

Larry Wong

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