

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement the
California Renewables Portfolio Standard
Program.

Rulemaking 04-04-026
(Filed April 22, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING SCHEDULE FOR CONSIDERATION OF
2005 MARKET PRICE REFERENT ISSUES**

Background

At the prehearing conference (PHC) held May 18, 2005, the parties discussed issues related to the calculation and adoption of the 2005 Market Price Referent (MPR) in this proceeding and briefly considered the additional work to be done on the final version of the 2004 MPR. A consensus on how to proceed with the MPR aspect of this proceeding emerged from the PHC statements filed by some parties in response to the Administrative Law Judge's Ruling Setting Prehearing Conference (ALJ PHC Ruling), dated May 5, 2005, and the discussion at the PHC. The discussion and schedule set out below reflect that consensus, with some modifications as noted.

2004 MPR

Final corrections to the 2004 MPR will be made available for public comment when the resolution adopting them is set on a Commission agenda in the summer of 2005. Parties interested in the 2004 MPR may contact Commission staff for additional information prior to circulation of the draft resolution.

Issues for 2005 MPR

The ALJ PHC Ruling identified seven issues for further discussion:

1. Gas and non-gas inputs for the 2005 MPR.
2. Modifications to the existing 2004 MPR methodology required to calculate the 2005 MPR.
3. Modifications to the adopted SCE Cash Flow and MPR Gas Forecast models.
4. Applying the avoided cost model and methodology currently being used in R.04-04-025 to calculation of the 2005 MPR (“E3 model”).
5. Methodology for applying Time of Delivery (TOD) profiles to the 2005 MPR.
6. Modifications to the MPR process (*e.g.*, calculation and release of MPRs) for 2005.
7. Modifications to the MPR—Supplemental Energy Payment (SEP) calculation for 2005.

The parties gave the first, third, and fifth issues on this list the highest priority. Process modifications were of lesser concern, though parties requested the opportunity to comment on the MPR—SEP calculation for 2005. The parties agreed that importation of the E3 model into this proceeding was not appropriate, but that elements of that model might be relevant to the MPR process. The parties agreed that the issues would best be addressed in a workshop format.

Workshops

Two workshops will be held, one in the week of June 20, 2005 and one in the week of June 27, 2005. One workshop will address gas and non-gas inputs, gas forecast modeling, and the SCE cash flow model. The other will address

TOD profiles.¹ As suggested at the PHC, the first day of each workshop will consist of general discussion, scoping for the workshop, and organization. On the second day, break-out groups will work on specific topics.

The exact date, time, and location of the workshops is not yet settled. A separate notification of those details will be provided as soon as they are available.

Comments and Briefs

Parties should file separate pre-workshop comments for each proposed workshop: one covering gas and non-gas inputs, gas forecast modeling, and the SCE cash flow model; and one covering TOD profiles. In their pre-workshop comments for each workshop, the parties should:

1. Identify and assign priority to the issues within each workshop topic;
2. Identify any specific information or category of information that would be useful to have available at the workshop;
3. Comment on information or ideas provided by staff or other parties prior to the workshop, including but not limited to the gas forecast and cash flow models circulated by staff to all parties;
4. Make any suggestions for the workshop process that should be considered prior to the workshop;
5. Outline the outcomes from the workshop that the party believes to be necessary.

It is anticipated that many, if not most, outstanding issues will be resolved through the workshop process. At the PHC, the ALJ suggested that the parties consider a mechanism for the parties to identify agreed-upon issues and

¹ This discussion should build on the TOD workshop held in April 2005.

solutions on the record in this proceeding.² If the parties cannot agree on such a mechanism, a staff report will be written.³ Unresolved issues and issues on which a party disagrees with the workshop outcomes should be addressed in the parties' post-workshop briefs.

At the PHC, the ALJ suggested that a time to comment on the 2005 MPR—SEP calculation would be scheduled in this ruling. Since the PHC, further investigation by staff has revealed that it is premature to circulate information on that topic or to schedule a time for comment. The 2005 MPR—SEP calculation will be the subject of a later ALJ Ruling.

Schedule

June 10, 2005	Pre-workshop comments filed and served
Week of June 20, 2005	Workshops Date, time, and location to be specified in later ruling
Week of June 27, 2005	Workshops Date, time, and location to be specified in later ruling
July 15, 2005	Post-workshop briefs
July 29, 2005	Post-workshop reply briefs

Service

Parties may serve documents using either the electronic service protocols attached to the OIR or the Commission's current service rules, found in Rules 2.3

² For example, a stipulation pursuant to Rule 51.1 of the Commission's Rules of Practice and Procedure.

³ The production of a staff report may well require more time than a party-driven format for reporting the workshop results.

and 2.3.1 of the Rules of Practice and Procedure. Parties are reminded to serve a hard copy of all documents on the ALJ, even if they serve the document by electronic mail.

IT IS RULED that:

1. One workshop will be held on the 2005 MPR issues of gas and non-gas inputs, gas forecast modeling, and the SCE cash flow model; one workshop will be held on TOD profile issues.

2. The workshops will be held during the weeks of June 20 and June 27. Additional information on the exact date, time, and location of each workshop will be provided by an ALJ Ruling.

3. Pre-workshop comments and post-workshop briefs shall be filed in accordance with the schedule set forth above.

Dated May 24, 2005, at San Francisco, California.

/s/ ANNE E. SIMON

Anne E. Simon
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Schedule for Consideration of 2005 Market Price Referent Issues on all parties of record in this proceeding or their attorneys of record.

Dated May 24, 2005, 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 insure 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, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.