

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)

**ASSIGNED COMMISSIONER'S RULING
DISCLOSING MARKET PRICE REFERENTS
FOR THE RENEWABLES PORTFOLIO STANDARD PROGRAM
AND ESTABLISHING NEW FILING DATES FOR
DRAFT RPS PROCUREMENT PLANS**

In Decision (D.) 04-06-015, we adopted a methodology to calculate Market Price Referents (MPRs) for use in evaluating bids received from the 2004 renewable power solicitations conducted by the utilities under the California Renewables Portfolio Standard (RPS) Program, as generally set forth in Pub. Util. Code §§ 399.11-399.16.¹ D.04-06-015 determined that MPRs will be publicly disclosed to all parties simultaneously, after utilities' 2004 RPS power solicitations have closed, but before advice letters requesting contract approval are filed. Today, we disclose the following MPRs via this Ruling and the attached staff report.²

¹ An act to add Sections 387, 390.1, and 399.25 to, and to add Article 16 (Sections 399.11 - 399.16) to Chapter 2.3 of Part 1 of Division 1 of, the Public Utilities Code, relating to renewable energy.

² "The Ruling disclosing the MPRs will have attached to it a staff report containing assumptions and inputs used to calculate the MPRs. Parties will be provided an opportunity to comment on the staff report, and the report and comments will provide

Footnote continued on next page

Table 1: 2004 Market Price Referents (MPRs) At Specified Zonal Delivery Points (e.g., NP15 or SP15) (cents/kWh)			
Resource Type	10-Year	15-Year	20-Year
Baseload MPR	5.61	5.62	5.63
Peaking MPR ³	10.79	10.83	10.85

D.04-06-015 set forth the following process under which MPRs would be disclosed:

“[W]e conclude that the MPRs should be publicly and simultaneously disclosed to all parties after bidding has closed, but before completion of the utility’s final short list. The MPR will be available to parties before negotiations are complete, to allow additions to the tentative short list, and the informed negotiation of payment streams. In order to implement this approach, each utility must notify the Commission via letter to the Executive Director that bidding has concluded, and that the utility expects to complete its tentative short list by a specified date. The Commission will coordinate the public and simultaneous disclosure of the MPR to all parties with this information in mind. After the parties have negotiated and finalized their bids based on subsequent release of the MPR, each utility will submit its final short list of bidders to the Commission staff and its PRG.” (D.04-06-015, pp. 29-30.)

On October 22, 2004, PG&E submitted a letter to the Executive Director notifying the Commission that its preliminary short-list was complete.⁴ PG&E

the basis for a Commission decision that will guide future MPR calculations” (D.04-06-015, footnote 21, p. 30).

³ The Peaking MPR is calculated assuming a 12-month, 5x8 product. The Commission’s Energy Division can provide, if necessary and appropriate, an equivalent MPR for a different peaking product.

also submitted this notification to signify completion of Milestone 6 in Table 1 – RPS Solicitation – Contract Approval Milestones” (D.04-07-029, p. 10). On December 13, 2004, SDG&E submitted similar notification to the Executive Director. We note here that SCE did not issue a renewables solicitation in 2004, as it is still in the process of negotiating contracts from the 2003 interim renewables solicitation, which is not subject to the 2004 MPRs. Thus, SCE did not make a similar submittal.

D.04-06-015 stated that parties “would be provided an opportunity to comment on the staff report, and [that] the report and comments will provide the basis for a Commission decision that will guide future MPR calculations.” (D.04-06-015, p. 30, fn. 21.) No exact comment periods were specified in the decision. Therefore, we determine here that comments are due Monday, February 28, 2005, and reply comments are due Monday, March 15, 2005.

This ruling has been served on the service list for R.04-04-026 (RPS proceeding). Comments should be filed and served in R.04-04-026, consistent with the existing electronic service protocols.

On a separate issue, this ruling acknowledges the need to defer the previously established deadline for the filing of draft RPS Procurement Plans for 2005, to March 7, 2005. Parties may file and serve comments and reply comments on these plans as set forth below.

⁴ PG&E issued its 2003 renewables solicitation on July 15, 2004. Bidding closed on August 23, 2004. SDG&E issued its renewables solicitation on July 1, 2004 and bidding closed on August 12, 2004.

IT IS RULED that:

1. The Market Price Referents for 2004 are disclosed as set forth above and in the attached staff report.
2. Comments on the staff report are due on February 28, 2005, and reply comments are due on March 15, 2005.
3. PG&E, SCE, and SDG&E shall file the draft RPS Procurement Plans, including the draft Request for Offer material, on March 7, 2005. Parties may file and serve comments on these filings on April 7, 2005, and reply comments on April 21, 2005.

Dated February 4, 2005, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioner's Ruling Disclosing Market Price Referents for the Renewables Portfolio Standard Program and Establishing New Filing Dates for Draft RPS Procurement Plans on all parties of record in this proceeding or their attorneys of record.

Dated February 4, 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.

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