Notes:
- Thanks to all those who submitted pre-workshop questions. They were very helpful in preparing for the workshops.
- This is a partial list of responses to pre-workshop questions. Any questions missing from this list either (1) overlapped with other parties’ questions, (2) were deemed out-of-scope for the planning standards issue, or (3) were more conducive to explanation/discussion in the workshop setting.
- Responses are organized roughly in sequence of the Staff Proposal content

Contents

Hybrid Market Issues – IOU procurement of new system resources, Cost allocation mechanism, Re-opening of direct access, LSE opt-out, etc................................................................. 2
Principles for a Revamped LTPP............................................................................................................... 2
Definitions of System and Bundled Plans ............................................................................................... 3
Foundational Element: Indicative Resource Plan ................................................................. 4
Accompanying Studies Required by Some Foundational Elements .................................................... 8
Foundational Element: Renewables and Transmission Study ....................................................... 8
Foundational Element: Renewables Integration Study ................................................................. 11
Foundational Element: Deliverability Risk Assessment ................................................................. 11
Foundational Element: Coordination of Resource Planning .......................................................... 14
Analytical Process – Scenarios, Portfolios, Sensitivities ................................................................. 15
Reliability as a Constraint, not a Metric ............................................................................................... 18
Evaluation Criteria – Metrics and Assessments ............................................................................... 18
Inputs and Assumptions – Net short calculation, Combined heat and power ...................................... 20
Load and Resource Tables .................................................................................................................... 21
Process, Timelines and Schedule for 2010 LTPP ............................................................................... 21
Typographical Errors ......................................................................................................................... 22
Other ................................................................................................................................................... 23
Hybrid Market Issues – IOU procurement of new system resources, Cost allocation mechanism, Re-opening of direct access, LSE opt-out, etc.

Staff Remarks:

- Pre-workshop questions pertaining to debates and regulatory uncertainty over the “hybrid market” are not addressed here. Many of these issues (e.g., forward RA markets, LSE opt-out from CAM, etc.) are before the Commission in active proceedings. Staff cannot provide any more illumination on these matters in the workshop process.

- Debates over the role of “markets-versus-planning” were heard by the Assigned Commissioner in comments to the OIR/Preliminary Scoping Memo. The ACR/Scoping Ruling specifically addressed these concerns (pp. 1-3):

  Market structures for various resources are being considered or developed in other Commission dockets (e.g., forward capacity markets, GHG cap-and-trade, tradable Renewable Energy Certificates (“RECs”)) and by other entities (e.g., California Independent System Operator’s (“CAISO”) Market Redesign Technology Update (“MRTU”)). At present the extent to which generation resources will be procured via market structures is uncertain, but as they are developed...the methodologies being developed in this proceeding [may need to be adjusted or replaced]... It would be imprudent to assume at this time that other market structures will obviate the need for LTPP-authorized procurement and delay the timely development of 2010 LTPP policy guidance.

- The Staff Proposal specifically addressed these concerns; see pp. viii-ix, pp. 22-23, p. 29, and pp. 35-36.

- Re-litigation of the Cost Allocation Mechanism (CAM), pursuant to D.06-07-029, is out-of-scope in this phase of the proceeding; Refinements to CAM methodologies are in scope for Phase 2.

Principles for a Revamped LTPP

1. Working Principle C (quoted above) is of great interest to DRA. How does this differ from or coordinate with Working Principle D? Aside from requiring consistency (not identity) in assumptions and models, what tools or approaches does Staff envision for achieving this outcome? How will Staff know it has been achieved? (DRA, p. 2)

  Response: Working Principles C &D are indeed similar. Working Principle C’s emphasis is on ensuring that resource planning information is integrated in the “umbrella proceeding” in a manner that provides the Commission with meaningful and useful information to inform its decision-making in the LTPP and other procurement-related proceedings. Working Principle D emphasizes a process whereby information
2. With reference to pages 22-26, are the Working Principles listed in order of importance? Which take precedence when these Working Principles conflict? (SCE, p. 2)

Response: No. They are not listed in order of importance. At the workshop, Staff is interested to hear possible examples of how they might conflict.

Definitions of System and Bundled Plans

3. The “Key Definitions” on p. 8 indicate that a “System Plan” is a long-term resource plan “to fill net short positions with new resources,” which is separate and distinct from a “procurement plan.” The “Bundled Plan” is described as a “procurement plan” to serve bundled load, but from resources “already built.” This strongly implies that the Bundled Plan would never include procurement of new resources solely to meet the needs of the bundled load. Please explain if this is the Staff’s intent. (AReM, p.4)

Response: No. AReM has identified an error that needs to be corrected. Bundled net short positions will be filled through a variety of existing resources as well as new generation authorized in the System Plan.

4. Each LSE (both IOUs and ESPs) has an independent obligation to meet RA requirements and Renewable Portfolio Standards (“RPS”). Please explain why these requirements are addressed in the System Plan, rather than in each IOU’s Bundled Plan. (AReM, p. 6)

Response: Both System and Bundled Plans would need to make reasonable assumptions about expected IOU and ESP procurement activity to meet RA and RPS requirements.

5. How does the Commission ensure that resources planned or in operation by non-IOUs and independent power producers are accounted for in determining the “system net short position?” (AReM, pp. 6-7)

Response: The System Plan would assess system (physical) need using the best available information about existing and planned resources on the system. See Section 3.8.1 (p. 97) for assumptions on resource additions. To the extent that ESPs, CCAs and merchant IPPs provide this information this type of planning information in the LTPP, it would be helpful.

6. On page 7, the definition of “System” describes IOU service areas as including IOUs, direct access (DA) providers and community choice aggregators (CCA), but excluding publicly owned utilities (POU). However, much of the strategy discussion in the Staff Proposal focuses on statewide goals and issues that affect both IOUs and POU. For purposes of conducting system analysis, should the IOUs ignore POU loads and resources and assign a proportionate share of

Energy Division Staff Responses to Parties’ Pre-Workshop Questions on Staff Proposal
statewide obligations (e.g., California Air Resources Board’s (CARB) CHP target, RPS obligations, etc.) to the IOU service areas? If so, what assumptions about transmission development and renewable energy procurement should be utilized? Has the Commission undertaken any efforts to encourage POU participation in the LTPP process, or to work with the CEC to obtain POU resource planning information? (SCE, p. 2)

Response: POU planning information would be incorporated to the extent the information is publicly available. The RETI process includes POU planning information, and this is beneficial to the extent that the LTPP process uses it. Other coordination efforts such as the newly initiated California Transmission Planning Group are opportunities to further incorporate POU planning information into the LTPP. For purposes of system analysis, the IOUs should assign proportionate shares of statewide obligations (e.g., CARB targets) to the IOUs, and exclude POUs. Exceptions are the Renewables and Transmission Study and Renewables Integration Study, which should be conducted on a statewide or ISO control-area basis, with outputs of those studies apportioned according to IOU service area loads.

7. Regarding the staff’s proposal for each IOU to present a system analysis please clarify the following points: (SDG&E, p. 2)
   a. Does the staff envision that each IOU will model the whole state or only its service area? If the response is it will model its own service area, how does staff envision how the IOUs will “divide up” resources that are outside their service area but may service load in its service area?
   b. How does staff envision how each IOU will determine what resources are “delivered to” its service area?

Response: See response to Q. 6 above.

8. The first is the nature of the relationship between the Indicative Resource Plans and the Prescriptive Procurement Plans. It is only in the definition of System Plan on page 169 that it is stated that the System Plan is part of the Indicative Resource Plans. Is the Bundled Plan a Prescriptive Plan? It is not clear. The System Plan is said to relate to “resources needed to meet system and/or local RA requirements for all jurisdictional ratepayers connected to their systems” while the Bundled Plan relates to procurement “to meet the energy and RA needs of their bundled customers”. (CLECA, p. 4)

Response: Yes. The Bundled Plan is a prescriptive plan to the extent that it authorizes the utilities to procure specific types of products and specifies the extent of their AB57 authority.

Foundational Element: Indicative Resource Plan

9. Page 31: “The Commission would adopt these resource plans as “indicative,” with one important exception: the Commission’s approval would grant IOU authorization to procure (build, contract for, or otherwise cause to be constructed) new resources to meet system and/or local Resource
Energy Division Staff Responses to Parties’ Pre-Workshop Questions on Staff Proposal

Adequacy requirements.” Please explain what local and system needs are not covered (or exempt) from the Indicative Resource Plan? (PG&E, p.2)

Response: PG&E service are need, SCE service area need, SDG&E service area (by definition, a local area need), and any other local area or sub-area needs necessary to satisfy requirements pursuant to the SWRCB’s OTC policy would be covered.

10. Page 29 of the ED Proposal indicates that Indicative Resource Plans are “informational or illustrative only”. However, there is a statement at the bottom of page 31 that Commission approval of a utility’s Indicative Plan would grant it “authorization to procure (build, contract for, or otherwise cause to be constructed) new resources to meet system and/or local RA requirements.” This suggests that the utilities would be able to procure without waiting for approval of their Prescriptive Procurement Plans. However, the Proposal goes on to say that other aspects of the Indicative Plans would not be binding on the IOUs and that “approval does not constitute pre-authorization to procure specific resources in specific amounts. Moreover, utility resource procurement must still undergo a Commission proceeding to determine prudency and establish rate treatment of the investments.” (p. 31) (CLECA, p. 5)

Response: The IOUs would be authorized to procure new system and/or local resources, pursuant to the Commission-adopted System Plan, without having to wait until the Bundled Plan is approved.

11. How does the staff envision how the IOUs will produce “a forecast of the expected outcome of RPS solicitations,” which the report states as being a “critical input” on page 33, given that the IOUs are required to use RFOs to procure RPS resources? (SDG&E, p. 2-3)

Response: See response to Q. 10 above.

12. With reference to page 23, does Staff propose that a decision in the LTPP proceeding proscribe where renewable resources will be built in the state? (SCE, p. 2)

Response: As stated in Section 5 (p. 120), the decision on whether/how to use renewables information (if at all) generated in the Indicative Resource Plans is deferred to decision-makers in other venues. Indeed, the current scope of the LTPP proceeding would seem to preclude the Commission from making broad policy determinations on resource-specific policy issues: “The Commission finds it necessary to adopt a scoping standard for the LTPP proceeding...defined as...any procurement-related issues not already considered in other procurement-related dockets [including RPS].(OIR, p. 12)”

13. [With regard to OTC replacement and backup gen for renewables], how will locational concerns be taken into account? Does the ED expect the utilities to provide preferred locations for such facilities in the Indicative Plans? (CLECA, p. 4)

Response: See Response to Q. 12 above.
14. With reference to pages 39 and 133, is it the intent of Staff to somehow predetermine, through the LTPP process, the types and locations of renewable and CHP resources that will be selected in the future? Although earlier in the document Staff states that the LTPP is indicative, by “helping to ensure that utilities do not over-procure a given type of renewable resource in a given location,” how does the Staff Proposal avoid resulting in a “prescriptive procurement plan?” (SCE, p. 3)

Response: See Response to Q. 12 above.

15. Does the ED intend that the Commission direct utilities to favor procurement along certain transmission corridors, as it has done with the Sunrise line? The location of certain types of renewable resources may be determined geographically by the nature of the resource, but the location of other resources may not be so driven or may be determined by reliability concerns, such as voltage support. (CLECA, p. 4)

Response: See Response to Q. 12 above.

16. How will the Commission translate from “indicative plans,” which are defined as being informational or illustrative only, to specific resource requirements? (SDG&E, p. 2)

Response: For fossil resources, specific requirements would be adopted in the LTPP decision, based primarily on the OTC/local needs and the Renewables Integration Study (from the CAISO for the 2010 LTPP). Any specific requirements for non-fossil resources may be considered in other procurement-related dockets.

17. Pages 30 – 31, and 35: What are some examples of sufficient geographic granularity Staff expects to be included for the Indicative Resource Plans (Competitive Renewable Energy Zone, Load pocket, etc.)? Will project level granularity be required? (PG&E, p. 2)

Response: For renewable resources, see the 33% RPS Implementation Analysis timelines methodology as an example, which used some project level information aggregated to the CREZ and (in the case of distributed resource zones) local area level. White papers are at www.cpuc.ca.gov/NR/rdonlyres/A852C58D-F7DC-4719-8D08-FC90D3003308/0/TimelinesWhitePaper.pdf. For fossil resources, see recommended assumptions for resource additions and retirements, described in Section 3.8.1 (pp. 97-98). For OTC/local needs, staff expects generation and transmission scenarios to require granularity down to the local area or sub-area. See also response to Q. 77. For demand-side resources, see recommended Deliverability Risk Assessment methodologies for each resource. The Deliverability Risk Assessment produces base case assumptions for each resource to be used in net short calculations, described in Section 3.8.1 (pp. 91-97).

18. The ED Proposal states that IOUs should address the locations of future resources in their Indicative Resource Plans. This may be possible in the context of the need for resources in specific areas to deal with locational reliability constraints. However, it is not clear how IOUs can specify locations of other resources without pre-judging the results of future solicitations. Does the ED intend that the Commission have the utilities show preference toward development
of resources in certain locations? If so, this could increase the market power of developers in those areas. (CLECA, p. 3-4)

Response: Market power can be mitigated by holding a competitive solicitation. Also, the RPS statute provides the CPUC with the following authority: If the commission determines that the bid prices are elevated due to a lack of effective competition among the bidders, the commission shall direct the electrical corporation to renegotiate the contracts or conduct a new solicitation.

19. Does the staff envision that any contract specific data is used in the system analysis or is it just a look at the physical needs of the system? (SDG&E, pp. 1-2)
   a. Does the staff envision that if the three IOUs each do a system analysis that it can take the three reports and “staple them together” to get a statewide view?
   b. How will the staff reconcile the fact that regardless of the amount of coordination, three IOU separate analyses will produce different results?

Response: In general, the system analysis would be a physical look using public information. An exception is staff’s recommended use of contract data in aggregated form to develop plausible renewable portfolios. For example, see 33% RPS Implementation Analysis methodology for incorporating data from the CPUC Energy Division project database into renewable portfolios. White Papers are available at www.cpuc.ca.gov/NR/rdonlyres/38F9CFF7-D6BF-409F-ABB1-A2DB2B8CDD9C/0/InputsandAssumptions.pdf.

20. Please explain how staff believes system resource scenarios can be done individually by each IOU, but transmission, renewable implementation, and system integration studies all need to be a single coordinated study? (SDG&E, p. 3)

Response: Renewable resources are likely to be sited in locations where high-quality resources exist and to be transmitted, potentially over long distances, to load centers. Staff believes it is critical that analysis of the likely location of new renewable resources and the associated need for transmission and integration resources be conducted at the highest possible level. Hence, Staff proposes that these accompanying studies be conducted in a coordinated manner for the combined, ISO-operated grid.

Capacity resources, by contrast, are likely to be sited near the loads that are driving the need for the resources. Indeed, much of the need for capacity resources is likely to be driven by the need for local capacity resources to meet peak demands in “load pockets” such as San Diego, the LA Basin or the Bay Area. Thus, while Staff’s preference is for strong coordination among all aspects of the System Plans; Staff believes that the ISO-operated grid can be divided into specific geographic regions for the purpose of evaluating the residual need for new capacity resources. Each IOU would then include in its System Plan an analysis of the need for new capacity resources inside its service area.
21. The Proposal also says that “the System Plan would also consider electric infrastructure needs to meet policy goals, such as the RPS and GHG targets, in the aggregate (as opposed to IOU-specific compliance obligations).” (p. 57) Does this mean that the System Plan must address RPS and GHG targets for all LSEs in a utility’s service area? How can it do so? Furthermore, the Proposal says that the “System Plan pertains to electric infrastructure needs to provide reliable service at a reasonable cost and risk to ratepayers.” (CLECA, p. 5)


**Accompanying Studies Required by Some Foundational Elements**

22. [Foundational Elements] include a Renewables and Transmission Study, a Renewables Integration Study, a Deliverability Risk Assessment, and Coordination of Resource Planning. The Renewables and Transmission Study, the Renewables integration Study, and the Deliverability Risk Assessment are to be completed by “entities other than the IOUs. (p. 27)” CLECA wonders who will perform these studies and who will pay for them. (CLECA, p. 7)

Response: For the 2010 LTPP, the Renewables and Transmission Study would come from RETI, which is a multi-agency stakeholder process, and the 33% RPS Implementation Analysis, which was conducted by Staff and paid for by the utilities under the reimbursable LTPP technical assistance contract. The Renewables Integration Study would be performed and paid for by the CAISO. Deliverability Risk Assessment would be partly conducted by the IOUs with stakeholder input (e.g., DR and CHP), and partly conducted by other entities (e.g., CEC IEPR process for EE, and 33% RPS Implementation Analysis for RPS timelines). The cost of these studies and assessments is expected to be minimal compared to the benefits of improved planning, given the magnitude of ratepayer dollars at stake in achieving California’s aggressive policy goals.

**Foundational Element: Renewables and Transmission Study**

23. On page 28, Figure 3 identifies a Renewables & Transmission Study that “would be partly or wholly conducted by non-IOU entities and completed in advance of the [2010 LTPP] proceeding.” Are RETI and the CPUC 33% RPS Implementation Analysis sufficient for use in the 2010 LTPP cycle, or does staff propose that IOUs conduct additional work on a Renewables & Transmission Study as part of the 2010 LTPP? (SCE, p. 2)

Response: Yes. The 33% RPS Implementation Analysis, as updated in late 2009 to reflect RETI Phase 2 and other updates would be sufficient.

24. Will the IOUs be required to do a study (studies) similar to the one done by Energy Division? Please clarify how Staff sees this playing out in practice. (Referring to 33% Implementation Analysis) (DRA, p. 5)

Response: Yes. See response to Q. 23 above.
25. How will out of state renewable resources be included in the Renewables & Transmission Study? (SCE, p. 4)

**Response:** For an example, see the 33% RPS Implementation Analysis methodology for the High Out-of-State Case. The approach to out-of-state renewables should be consistent with current law at the time when the study is conducted (i.e., delivered to CA is required by today’s RPS program). In addition, RETI may be updated to include more detailed out-of-state assessment, hopefully drawing on WREZ and RETAAC (Nevada). For the 2010 LTPP, the IOUs should consider appropriate updates, in consultation with Energy Division and parties, based on these new sources of information.

26. Page 42: How does the Staff envision the Renewables and Transmission Study being used in the CPCN process? (PG&E, p. 3)

**Response:** The study itself might not be used directly, but findings of the LTPP process (for which the Renewables and Transmission Study was an input) might be used in the CPCN process, as discussed in Section 5.1.5 (pp. 135-139). Staff is looking for party feedback on options discussed there.

27. Please clarify what transmission processes before the Commission are being referenced on page 33? (SDG&E, p. 3)

**Response:** Staff is referring to the IOUs’ CPCN application before the Commission. In addition, the CAISO’s Annual Transmission Planning process, and potentially, the CEC’s Strategic Transmission Investment Plan, could be informed by the high-level transmission information in the Indicative Resource Plans.

28. How does Staff intend to use the Renewables & Transmission Study costs and types of renewable resources, in light of the fact that the types of resources available in the market and the prices offered will depend on resources selected from future competitive solicitations? (SCE, p. 3)

**Response:** The study, and the System Plan in which it is used, is indicative, not prescriptive. It is intended to capture the relative cost and value of generation and transmission to various areas to guide planning and procurement in other proceedings and processes, given available information; it does not pre-determine exactly what will be procured, at what cost, etc.

29. With reference to page 36, under the Staff Proposal, how will the Commission mitigate potential misinterpretation of renewable transmission results to the market? (SCE, p. 3)

**Response:** With strong caveats in decision language and clear descriptions about the purpose of plans and intent of approval.
30. With reference to pages 40-46, does Staff expect to obtain a different conceptual transmission plan from the Renewables & Transmission Study than from the RETI results? If so, would that send mixed signals to the market and be against Working Principle #2? If not, what is the purpose for conducting the study? (SCE, p. 4)

Response: See response to Q. 29 above. One purpose is to better coordinate RPS procurement and grid planning activities.

31. The Renewables and Transmission Study is proposed to involve a process that “compliments (sic) RETI and develops a set of alternative plans for simultaneously meeting RPS and other policy goals that can inform the state’s transmission planning and siting processes”. (p. 41) ED states that its outputs would be the location of high-quality renewable resources, the cost of their development, transmission needs, and related risk factors, using RETI as a starting point. CLECA wonders if it is feasible to perform such an analysis of renewable resource options without access to proprietary information on resource costs. How would the cost information be developed? What relationship would be assumed between costs and market prices for such power? How would the cost of new transmission to provide access to new resources be determined? Furthermore, if the utilities are expected to be actively involved in supporting the study, and they will certainly have to provide information on transmission costs, how will the assessment be independent, as appears to be ED’s preference via its provision for non-utility performance of the study? (CLECA, p. 7)

Response: See Section 3.8.2 (pp. 98-102). Referring to Table 1 (p. 60), all cost assumptions would be developed by the IOUs in Step S2, vetted with stakeholders in Step S3, and finalized by letter of Energy Division approval in Step S4. For the 2010 LTPP, staff recommends using the 33% RPS Implementation Analysis, which was conducted by staff and went through a stakeholder process.

32. Pages 42 & 45: On page 42, the Staff says that the Renewables and Transmission Study should be “coordinated among the IOUs so that IOUs are not implicitly or explicitly assuming reliance on the same set of resources to meet their RPS needs.” Later, on page 45, the Staff says that it expects the IOUs to coordinate on identifying “unique” resources. How does the Staff expect the IOUs to coordinate on identifying unique resources with “sufficient granularity” on location when: a) most of these resources have not been commercially scoped, much less developed, and b) the information on unique resources that each IOU does have is likely highly confidential market knowledge that, if shared with other IOUs, could introduce additional price competition among IOUs for limited RPS projects? How can we identify “unique” resources and coordinate with other IOUs without being forced to define specific projects? (PG&E, p. 3)

Response: Ensuring that each IOU’s plan contains a unique set of renewable resources is one outcome of the Renewables and Transmission study. However, a related and more important outcome is a coordinated, comparative analysis of the renewable resource potential and potential transmission needs associated with identified renewable resource areas such as CREZs. Staff believes that this analysis is useful to seed the CAISO’s transmission planning process with information about both commercial interest and potentially untapped renewable resource potential in a given region. As indicated in
Energy Division Staff Responses to Parties’ Pre-Workshop Questions on Staff Proposal

CAISO’s 2010 Transmission Planning Process Work Plan, the CAISO is relying on renewable portfolios developed in the LTP, along with RETI and other planning assumptions, to identify need for new transmission to meet California’s RPS goals.

33. On page 41, what is meant by the phrase “a process that complements RETI and develops a set of alternative plans for simultaneously meeting RPS and other policy goals”? (SCE, p. 4)

Response: RETI does not (nor was it ever intended to) develop comprehensive resource portfolios, such as those developed in the LTP, which can be compared and assessed relative to cost, risk, timeline, and need for new system and/or local resources. Essentially, the Renewables and Transmission Study would translate RETI into LTPP portfolios, along with other sources of information.

Foundational Element: Renewables Integration Study

34. Regarding the second study, The CAISO has a renewables integration analysis under way that would seem to cover the ground of the proposed study. Is there any reason why another study would have value, or should the CAISO study be sufficient provide this analysis? Since the CAISO study will not be available until the first quarter of 2010, are there timing implications for the 2010 LTPP? (CLECA, p. 8) (Also, SCE, p. 7)

Response: The Staff Proposal recommends using the CAISO 33% integration study for the 2010 LTPP. It is expected to be completed by October 2009.

35. On page 47, what is driving Staff to want to “evenly distribute” among renewable technologies, given the fact that there are no specific technology preferences in the State’s RPS program? (SCE, p. 4)

Response: This language is a miscommunication of staff’s intent. It should be rephrased to state the Renewables Integration Study would provide information that the Commission could use to “ensure that RPS portfolios are evenly distributed least-cost best fit, depending on integration requirements.”

Foundational Element: Deliverability Risk Assessment

36. Page 49: What is the level (if any) of standardization among the IOUs associated with the Deliverability Risk Assessment? How is the Staff proposing that “likelihood” be quantified (e.g., qualitatively, quantitatively)? (PG&E, p. 3)

Response: In general, the level of standardization would be significant, because Deliverability Risk Assessment methodology would be the same for all IOUs, but the application may vary by IOU. For EE, the CEC would apply its conservation reasonably expected to occur (RETO) standard to generate EE forecasts for each IOU in the IEPR. For DR, each IOU would generate its own DR forecasts using D.08-04-050 Load Impact
Protocols. For customer-side DG (including CSI), the CEC would apply its RETO standard to assume levels of embedded self-generation in the IEPR load forecast. For CHP, a standardized methodology would emerge from the LTPP CHP working group process, and perhaps be applied differently by each IOU depending on the resource potential in each IOU service area. For RPS resources, the IOUs would coordinate on Resource Development Timeline Assessments for renewable portfolios developed in the Renewables and Transmission Study. For fossil resources, the IOUs already agreed to a standardized methodology, described in Section 3.8.1 (p. 97).

The “likelihood” of forecasts generated out of Deliverability Risk Assessments would be assessed quantitatively, in aggregate, when estimating the probability of occurrence of the base case residual net short, as described in See Section 3.8.1 (p. 98).

37. Pages 22 – 25: The Staff indicates that the LTPP may make more conservative assumptions regarding resource achievements and may not use the goals established in other Commission proceedings (pg. 22). However, the Staff then indicates that “common assumptions and methodologies” from other Commission proceedings will be used (pg. 25). Please give an example(s) of a common assumption or methodology, and how these assumptions and methodologies differ from goals. (PG&E, p. 2)

Response: See response to Q. 36 above.

38. Page 110: What is the Commission’s interpretation of the CARB goals, subject to Deliverability Assessment Risk? (Table 12) Please provide a numerical comparison of the CPUC’s interpretation vs. CARB’s goal. (PG&E, p. 5)

Response: In some cases such as CHP the Commission has yet to formally state its interpretation of CARB goals for CPUC jurisdictional entities; in other cases such as EE it has. For EE, the Commission stated in D.08-10-037: “We recommend that [CARB] set [EE] requirements in its Scoping Plan at the level of all cost-effective [EE], with [EE] goals for [IOUs] set based on those adopted by the [CPUC] in D.08-07-047, and as may be revised and updated by the Public Utilities Commission from time to time. (OP 1, at p. 256)”. For CHP, the Commission has yet to make any statements regarding peak savings (MW) expected to result from the CARB’s 6.7 MMTCO2E of emissions reductions resulting from 30,000 GWh of new CHP. Nor has the Commission determined how much of this is likely to come from the service areas of IOUs vs. publicly-owned utilities. The Staff Proposal proposes convening an LTPP CHP working group (p. 95) to address these and other questions related to likely implementation of CHP. The proposal for an LTPP CHP working group should be understood as a backstop process for generating LTPP assumptions, pending Commission adoption of a comprehensive CHP implementation policy (e.g., in a forthcoming CHP rulemaking or other process).

In all cases, the Staff Proposal recommends that resource targets be further adjusted for LTPP need determination purposes using a Deliverability Risk Assessment methodology.
39. California Air Resources Board, in consultation with the Commission and California Energy Commission, will appropriately consider and establish goals associated with long term procurement plans related to Combined Heat and Power (CHP) facilities and objectives. How will the Commission harmonize these positions so that all affected parties may plan and rely upon a long term procurement plan? (CAC/EPUC, at p. 2)

Response: See response to Q. 38 above.

40. Page 90: For the combined heat and power (“CHP”) assumption, the Staff indicates that they will use “Commission interpretation of CARB goals, subject to Deliverability Risk Assessment.” Please explain what this means. On page 94, the Staff indicates that CHP goal is 4,000 MW of new CHP -- is this the “Commission’s interpretation of the CARB goals.” Is there a size amount for the new CHP? (PG&E, at p. 5)

Response: See response to Q. 38 above.

41. Page 92: What does the Staff recommend the IOUs do if there is no clarity coming from IEPR about what portion of EE goals are in the CEC load forecast? (PG&E, p. 5)

Response: Energy Division is actively working with the CEC to ensure that the proportion of EE goals embedded in the forecast is clearly specified in the Revised Staff Forecast. In comments filed on the June 26, Committee Workshop on 2010-2020 Peak Demand and Energy Forecasts, Energy Division re-stated this commitment resolving this issue in the IEPR process.

42. Also with reference to page 32, what will happen if and when future reality does not match up with the indicative plans for RPS and CHP? How does that impact Guiding Principle #1? (SCE, p. 3)

Response: The biennial procurement cycle allows for frequent updates of new resource authorizations to adjust for any differences between forecasts and “reality.”

43. On page 80, the Staff Proposal also recommends that “LTPP filings should include a detailed schedule of on-line dates for conventional and renewable resources, demand-size achievements and transmission facilities.” Given all of the regulatory uncertainty surrounding the transmission siting and approval process, which is entirely beyond the control of the IOUs, how does Staff propose that the IOUs determine a “detailed schedule of on-line dates” for transmission facilities? (SCE, p. 6)

Response: In manner similar to 33% RPS Implementation Analysis: i.e., provide best estimate of timelines, considering required processes, barriers and opportunities. Also, it would be helpful for IOUs to make recommendations in their System Plans regarding things that are “entirely beyond their control”, e.g. how processes could be adjusted/streamlined, and what the impact would be for resource development timelines.
Foundational Element: Coordination of Resource Planning

44. Tracking progress toward policy-driven goals has historically been managed within the proceeding dedicated to that policy goal, not the LTPP. One prevalent example is the Energy Efficiency proceeding where significant resources are dedicated to tracking IOU progress toward Energy Efficiency goals. How will the “tracking progress toward goals” in the LTPP affect what goes on in those dedicated proceedings? Does Staff perceive a risk of duplicating efforts or interference caused by adopting this guiding principle in the LTPP? (DRA, p. 2)

Response: Progress toward goals will continue to happen within the dedicated proceedings, as there are multiple reasons for tracking goals beyond just the procurement proceeding (e.g., to inform the incentive mechanism). Staff does not perceive a risk of duplicating efforts or interference, as we are currently (and will continue) to coordinate in the quantification of energy efficiency resources for multiple uses. One example of this ongoing coordination is the Demand Forecasting and Energy Efficiency Quantification Working Group, which is a group of utilities, CEC staff, and CPUC staff that are collaborating in the CEC’s IEPR process to better quantify the effects of EE on the load forecast and inform the Deliverability Risk Assessment of EE in the CEC’s application of its “reasonably expected to occur” (RETO) standard.

45. The Staff Proposal says, the “need [for flexible generation or storage] could be exacerbated by EE programs that reduce demand at night.” Please clarify what EE measures Staff had in mind regarding this sentence: Are these measures that proportionally reduce demand at night more than during the day or do not reduce daytime demand at all? Is the Staff suggesting that efficient light bulbs (e.g., CFLs) that primarily reduce residential demand at night is contributing to this problem? (DRA, p. 6)

Response: Staff is not suggesting that programs that reduce demand at night are currently contributing to a problem of over-generation at night. However, Staff believes that these programs could potentially contribute to such a problem if RPS procurement resulted in high penetration of wind resources with high output during nighttime hours. There are several potentially interesting implications of this scenario that might be worthwhile for EE planners to consider, including: (a) changes to the temporal pattern of energy market prices and, hence, avoided energy costs resulting from deep renewable penetration; (b) the effect of different types of EE programs on the cost of integrating renewable resources; and (c) the marginal CO2 savings associated with different types of EE programs. Staff believes that it would be worthwhile for the LTPPs to explore issues such as these in order to inform EE planners as to potential changes to the marginal impact of various EE programs.

46. Does Staff intend specific Resource Adequacy procurement approvals to be litigated in parallel with approval of Indicative Resource Plans? If not, when? (DRA, p. 4)

Response: Currently, Resource Adequacy (RA) procurement is generally done 1-2 years ahead, or less – a much shorter timeframe than the focus of the indicative resource plans. There are no RA approvals with timeframes corresponding to the LTPP.
47. In describing Working Principle D, the Staff Proposal states, “Similarly, on the inputs side, it makes sense for the Commission to adopt as many assumptions and methodologies from other venues, as is practicable and consistent with the LTPP proceeding’s focus on reliability.” When and how does Staff expect those choices to be made? Prior to IOU filing of the 2010 LTPPs? (DRA, pp. 3-4)

Response: The Commission would rule on many of these choices in the R.08-02-007, Phase 1 decision prior to the 2010 LTPP OIR; for example, use of the MPR gas price and CO2 price forecasting methodologies.

48. What does Staff mean by “Portfolio Analysis”? At the workshop that took place earlier this year, several different viewpoints regarding how to conduct portfolio analyses were discussed, including an approach proposed by SCE in which there would be one optimal portfolio for each scenario, a consultant-suggested approach in which a standardized set of portfolios would be developed and tested against each scenario, and an approach comparable to a California Energy Commission (CEC) portfolio analysis conducted as part of the 2007 Integrated Energy Policy Report (IEPR). Is Staff’s use of the term “Portfolio Analysis” intended to suggest one of those approaches? (SCE, pp. 1-2)

Response: While Staff believes that the LTPPs would be most informative if the IOUs developed and presented multiple portfolios for each scenario, Staff is cognizant of the workload required to complete the analysis in the Staff Proposal. For that reason, Staff believes that it is sufficient for the 2010 LTPPs for the IOUs to develop and present a single portfolio (whether “optimal” or not) for each scenario, similar to the SCE proposal.

49. “…staff also recommends that the IOUs run a number of alternative cases, either as Scenarios or Sensitivities.” What is the difference between “Scenarios” and “Sensitivities” in this context and where and how does Staff expect IOUs to present them or use them? (DRA, p. 8)

Response: In general, each scenario results in a unique least-cost best-fit portfolio; whereas sensitivities test the effect of changing specific variables without changing the portfolio itself (i.e., natural gas price, CO2 price, and technology cost). The exception is the need sensitivity, which would effectively result in different portfolios. An example is the optional Market Transformation scenario, which would result in a unique portfolio; whereas the technology cost sensitivity would not. Both assume a lower cost of emerging technology; but the former (a scenario) looks at how the portfolio would change, while the latter (a sensitivity) looks at how the effect on total cost for a given portfolio.

50. On page 86, what does Staff suggest that renewable technology costs in the future should be based on? (SCE, p. 6)
Response: Staff does not specify, but examples of possible sources include industry publications, academic literature, and government forecasts.

51. Page 67: Please clarify the definition of “alternative portfolio.” (PG&E, p. 4)

Response: An alternative portfolio is any portfolio developed for required or optional scenarios that is not proposed by the IOU for adoption by the Commission. The Staff Proposal recommends that the performance of all alternative portfolios with regard to evaluation criteria be documented, along with the IOU proposed portfolio, in the LTPP filing.

52. CLECA believes that utilities should be permitted to develop and justify their own preferred portfolios. A high vehicle electrification scenario appears premature for the 2010 LTPP but should certainly be considered in the future. The use of an all-gas scenario to benchmark GHG emissions associated with each portfolio may be consistent with California Air Resource Board baselines, but does not take into account the fact that the IOUs have had non-gas resources in their portfolios, such as hydro and geothermal, for many years, even before their was an RPS requirement. Caution should be used in drawing conclusions from a fictional baseline. (CLECA, p. 10)

Response: Staff agrees that the IOUs should be permitted to develop and justify their own preferred portfolios, and therefore included an “IOU-preferred scenario” as one of the optional scenarios for the 2010 LTPPs and subsequent plans on p. 70 of the Staff Proposal. Staff’s intention for the “all-gas” scenario is that the IOUs would meet load growth with CCGT and CT resources but would retain any existing non-gas resources such as renewables, hydro, coal and nuclear resources. Staff agrees strongly that caution is warranted in interpreting the results of any comparisons between this fictional baseline and the resource portfolios developed to meet state policy goals. Staff nevertheless believes this baseline is useful and necessary to consider particularly in light of the CARB regulatory approach.

53. On page 110, why are the CARB CHP goals included in any other scenario than the CARB scenario? What are “CHP “stretch” goals?” (SCE, p. 7)

Response: CARB is responsible for implementing AB 32, and the Commission’s CHP programs contribute towards AB32 emissions reductions measures identified by CARB. All portfolios analyzed in the LTPP should be compliant with AB32. CHP stretch goals are more optimistic assumptions of policy-driven resource achievements, as described in the Need Sensitivity section (pp. 87-88). See also, response to Q. 38.

54. On page 69, in the least cost renewables scenario, how can the IOUs have “out-of-state resources not delivered into CA” and “be compliant with RPS law?” Staff should consider removing the requirement to be compliant with current RPS law in order to have a truly least cost scenario for comparison purposes. (SCE, p. 5)
Response: As indicated in the scenario description on p. 69, the least cost renewables scenarios should be compliant with the RPS law in place at the time assumptions and required scenarios are finalized. The optional IOU-proposed scenario is one place where the IOUs would have flexibility to put forth portfolios that are not compliant with current law.

55. With reference to page 70, what is the purpose for an entirely separate “transmission constrained scenario?” (SCE, p. 5)

Response: See scenario description and purpose on p. 70.

56. Page 70: The State Water Resources Control Board’s (“SWRCB”) current draft OTC policy does not require the retirement of the nuclear units. The draft policy includes a requirement that nuclear facilities conduct additional feasibility studies on alternatives to OTC and a cost-benefit variance in the event that the cost of compliance is wholly disproportionate to the benefits. Please clarify how the proposed scenario aligns with the current SWRCB proposal. (PG&E, p. 4)

Response: Staff is cognizant of the nuclear feasibility studies and “wholly disproportionate” provisions in the SWRCB draft policy. The intent of the OTC/nuclear retirement’s scenario is not to duplicate any efforts associated with such analyses, but rather to examine the “worst-case” scenario of infrastructure investment associated with implementing the OTC policy.

57. The staff is proposing an OTC Policy/Nuclear retirement scenario. The latest draft regulations from the State Water Board on OTC policy will set up a special study on the nuclear plants. Would the staff consider dropping this scenario from the 2010 LTPP and rely on that separate study? (SDG&E, p. 3)

Response: See response to Q. 56.

58. On page 71, why does Staff promote an optional high wind scenario, but does not promote a high penetration scenario for any other types of technology, such as solar? (SCE, p. 5)

Response: The high wind scenario is not being promoted; that is why it is optional. The CARB complementary policies scenario is expected to largely represent renewables bid into RPS RFO, which at present has significant amount of solar.

59. Will the IOUs be allowed to include different levels of CHP in the scenarios that are not the CARB scoping plan scenarios? (SCE, p. 7)

Response: The Low-Need and High-Need Sensitivities are where different levels of CHP would be assessed, in combination with other policy-driven resources.
Reliability as a Constraint, not a Metric

60. Pages 20 and 74: How does the Staff Proposal satisfy Guiding Principle #1, ensuring reliability, without considering the adequacy of the existing Planning Reserve Margin level (“PRM”)? What steps does the Staff recommend the Commission take to ensure that the PRM proceeding is completed before the System Plans are prepared by the IOUs? (PG&E, p. 2)

Response: The Commission has a current PRM (15-17%) which stands until modified by the Commission. Staff recommends that all parties with comments on the PRM or the PRM proceeding address those issues in the PRM proceeding (R.08-04-012).

Evaluation Criteria – Metrics and Assessments

61. During workshops, there were a variety of proposals for resource plan time horizons, including a 10-year policy analysis, a 10-year policy analysis plus an additional 10-year qualitative assessment of impacts, a 20-year policy analysis, and a full policy analysis through 2050. What is Staff’s recommendation regarding the appropriate time horizon? (SCE, p. 8)

Response: Please refer to Sections 3.5.1 and 3.5.2 of the Staff Proposal (pp.75-82, pp. 83-84). In general, metrics should be calculated for each year of the 10-year planning horizon (e.g., 2011-2020). An exception is cost metrics, which should be calculated “over at least 20 years” to account for the possibility that fossil fuel and CO2 prices may continue to rise after the 10-year planning period. In general, assessments should be conducted over the 10-year planning period. An exception is long-term GHG and technology transformation which should consider a 40-year period (out to 2050).

62. What time period will be used for calculating the GHG emission metrics on page 79? (SDG&E, p. 3) (Also PG&E, p. 4)

Response: Each year of the 10-year planning period (e.g., 2011-2020). See response to Q. 61.

63. On page 80, the Staff Proposal recommends that the IOUs include “a qualitative assessment of the environmental impacts of each resource portfolio?” What exactly is Staff looking for in this environmental assessment? (SCE, p. 6)

Response: For renewable resources, see the 33% RPS Implementation Analysis environmental scoring methodology as an example. It is important to note that this methodology built from scoring techniques developed in the RETI Environmental Working Group. White papers are at http://www.cpuc.ca.gov/NR/rdonlyres/84257CC3-2EA5-422E-90FC-3D9EE485AE1B/0/WhitePaperEnv_Scoring.pdf.

64. Pages 80 – 81: What is the granularity of the renewable and non-renewable resources that the Staff envisions in the Timeline Assessment? (PG&E, p. 5)
Response: In effect, the Resource Development Timeline Assessment described in Section 3.5.1 (pp. 80-81) is synonymous with Deliverability Risk Assessment. Recommended methodologies vary by resource. For renewable resources, see the 33% RPS Implementation Analysis timelines methodology as an example. White papers are at www.cpuc.ca.gov/NR/rdonlyres/A852C58D-F7DC-4719-8D08-FC90D3003308/0/TimelinesWhitePaper.pdf. For fossil resources, see recommended assumptions for resource additions and retirements, described in Section 3.8.1 (pp. 97-98). For demand-side resources, see recommended Deliverability Risk Assessment methodologies for each resource. The Deliverability Risk Assessment produces base case assumptions for each resource to be used in net short calculations, described in Section 3.8.1 (pp. 91-97).

65. Page 45: How does the Staff envision quantifying the “risk factors affecting whether projects in a Renewable Energy Zone would fail or be delayed”? (PG&E, p. 3)

Response: See response to Q. 64.

66. Pages 80 – 82: What is the level (if any) of standardization among the IOUs associated with the Environmental, Timelines, and GHG Assessments? (PG&E, p. 4)

Response: The Staff Proposal does not specify a standardized approach for Environmental and Long-term GHG/Market Transformation Assessments; only that they should be required evaluation criteria for each portfolio in the IOUs’ System Plan. The Resource Development Timelines would be standardized as described in the response to Q. 64.

67. On page 30-31, the report states that the IOUs will be required to produce ‘indicative schedules of resources ….” Please provide an example of what is required. Is this just the data in tables 15-17 or some additional showing? (SDG&E, p. 2)

Response: The data in Tables 15-17 should be based on the resource development timeline assessment described in Section 3.5.1 (pp. 80-81). See also response to Q. 64.

68. Please explain why measurement of Long-term GHG reductions and technology transformation [row 6] is limited to qualitative assessment and what kind of qualitative assessment is intended. (DRA, p. 7)

Response: Quantitative assessment of longer-term GHG reductions (i.e., 2050) would be highly speculative and subject to false accuracy; therefore qualitative assessments are recommended. For an example, see the joint UCS/NRDC proposal long-term GHG assessments served on the LTPP working groups on November 12, 2008. Although staff did not adopt UCS/NRDC’s specific proposal, it is one example that would meet staff’s intent.

69. Please provide an example of a “Long-term GHG and Technology Transformation Assessment” requested on page 81-82. (SDG&E, p. 3)
Response: See response to Q. 6868.

70. Pages 81 – 82: To what extent (if any) must the LTPPs be reliant on the NRDC/UCS proposal for long-term emission forecasts? (PG&E, p. 5)

Response: See response to Q. 68.

**Inputs and Assumptions – Net short calculation, Combined heat and power**

71. On page 90, why is a renewables/RPS category not included as an input/assumption for calculating the net short position? (SCE, p. 6)

Response: The NQC value of RPS resources is another resource category that could arguably be included in this section. Instead, it was placed in Section 3.8.2 (See p. 101)

72. The Proposal addresses the considerable uncertainty about future CHP development and the need for a base case assumption about changes in CHP. The CEC is planning a workshop on CHP potential on July 23, 2009, that will provide some additional information, but potential and actual development are, of course, two separate issues. It is particularly difficult to address this issue while a Commission rulemaking on eliminating barriers to new CHP is still pending. However, CLECA believes that a CHP working group could be useful and is willing to participate in such a group. We do note that the Proposal’s discussion on page 96 of the net cost of CHP versus the cost of obtaining electricity and steam without a CHP facility does not accurately describe bottoming cycle CHP and ED should address both topping and bottoming cycle applications. (CLECA, p. 11)

Response: The LTPP CHP working group would serve as a backstop (not a replacement for) CHP assumptions generated from a Commission-adopted comprehensive CHP implementation policy.

73. With reference to page 95, what would the timing be for a CHP working group, given the limits in developing a CHP forecast? Does Staff believe that development of a statewide CHP forecast is feasible for the 2010 LTPP? (SCE, p. 7)

Response: Absent Commission adoption of a comprehensive CHP implementation policy in advance of the 2010 LTPP, the LTPP CHP working group would need to convene very early in the process in order to prepare draft assumptions (Step S2 in Table 1) in time for review by parties. On July 23, 2009, the CEC held a IEPR workshop to consider an updated CHP market potential study for California. The possible use and relevance of information from this or other studies would be decided in the LTPP CHP working group (or other Commission rulemaking or process).

74. On page 96, why would there be an “appropriate mix of topping- and bottoming-cycle CHP”? (SCE, p. 7)
Response: The LTPP CHP working group (or other Commission rulemaking or process) would address this question.

Load and Resource Tables

75. The proposed resource tables presented in Appendix C includes a row for “Exports” but the Staff Proposal does not provide direction to IOUs on how to populate this row. Was the omission of direction to IOUs on how to derive their export assumptions intentional? Does staff intend to leave this assumption to IOUs? (DRA, p. 9)

Response: The omission was inadvertent. We encourage parties to make suggestions for how to standardize export assumptions in their comments.

76. For the “Standardized System Load and Resource Table” (Table 15), how does the staff envision the net interchange values be determined? (SDG&E, p. 3)

Response. We encourage parties to make suggestions for how to standardize net interchange assumptions in their comments.

77. How does the staff envision that the need for resources based on Local Area Capacity Requirements (that will not be identified by Table 15) be shown to the Commission? (SDG&E, p. 3)

Response: For SDG&E whose entire service area is a Local Capacity Area, the need for new local resources would be shown in a version similar to Table 15, such as the one approved in D.07-12-052 (Table SDGE-1). At present the CAISO’s LCR studies provide one- and occasionally three-year forward assessments. The joint energy agency proposal on OTC implementation, which was presented at the July 28, 2009 joint LTPP/IEPR workshop, envisions the CAISO conducting enhanced LCR studies that would extend ten years forward. These longer-term LCR studies, combined with OTC-driven plant retirement assumptions and generation and transmission scenarios, would form the basis for a showing of need for local resources.

Process, Timelines and Schedule for 2010 LTPP

78. Who will construct the common dataset and assumption set, under what timeline, and with what provisions made for meaningful public participation in the process? The dataset and assumption set are key drivers of the resource plans, and their selection needs both transparency and thoughtfulness. (GPI, p. 2-3)

Response: See steps S2, S3, and S4 in Table 1 of the Staff Proposal (p. 62).
79. Can the System Plan be prepared early in 2010, instead of the end of 2010 as reflected in the Consecutive Illustrative Timeline of the Staff Proposal? (PG&E, p. 2)

Response. Yes, if up-front processes such as vetting assumptions and draft portfolios are truncated or omitted. If this is preferred to having more up-front process, parties should reflect it in comments.

80. Given the level of third-party involvement in the initial phases of the 2010 LTPP, how will the Staff ensure that the proceeding is not delayed? So far, the working group process has been lengthy and subject to delays. (PG&E, p. 2)

Response. Up-front processes such as vetting assumptions and draft portfolios are intended to improve transparency and reduce delays in post-filing.

81. Does the staff envision that the IOU bundled procurement plan is just a compliance document or will it involve hearings? (SDG&E, p. 2)

Response: Staff has not considered this. Staff looks forward to hearing what parties have to say on this at the workshop.

82. Both the cost allocation issue and the identification of bundled versus system resource needs are supposed to be looked at in Phase II of the current OIR: Consider whether and to what extent refinements to policies distinguishing system versus bundled resource needs, including a methodology that allocates the cost of new generation to system and bundled customers. However, the Staff Proposal preempts those analyses. (WPTF, p.7) (Also AReM, p. 4)

Response: Under the consecutive model for system and bundled analyses, this issue is probably moot because a Phase II decision can probably occur prior to initiation of the Bundled Plan, where implementation of any new methodologies to refine cost allocation could be addressed. WPTF and AReM raise a potentially valid concern with regard to the concurrent approach to system and bundled analyses. To the extent that a Phase II decision on system-versus-bundled methodologies adopts approaches based on bundled load forecasts litigated in the Bundled Plan, then the concurrent model is potentially problematic. Staff is interested in hearing parties’ thoughts on whether this is true and what solutions there may be to preserve the viability of the concurrent model.

Typographical Errors

83. On pages 2-3, should Combined Heat and Power/Distributed Generation (CHP/DG) be listed after renewable resources in the EAP II Loading Order? (SCE, p. 2)

Response: Renewables and DG/CHP are listed together in the EAP Loading Order: “After cost-effective efficiency and demand response, we rely on renewable sources of power and distributed generation, such as combined heat and power applications.” (EAP II, p. 2)
84. On page 55, did Staff intend to say “Coordination of Resource Planning” rather than “Renewables & Transmission Study” in the concluding sentence of this section? (SCE, p. 4)

Response: Yes. SCE has identified an error.

85. Pages 109 – 110: As depicted in Table 12, shouldn’t alternative case assumptions include low DR, EE and CHP additions to account for the uncertainty in the deliverability of preferred resources? (PG&E, p. 5)

Response: Yes. PG&E has identified an error in Table 12. The rows for EE, DR, CHP and CSI need to show a High-Need Sensitivity in the alternative case assumptions column. The High-Need sensitivity accounts for more conservative assumptions about policy-drive resource achievements.

Other

86. What are the staff’s current plans for addressing the “consideration of customer risk preference” and “consideration of procurement under the CAISO’s MRTU” which the Commission previously indicated would be addressed in this proceeding? (SDG&E, p. 1)

Response: The August 28, 2008 Scoping Ruling for Phase 1 addressed stated that “consideration of customer risk preference” would be deferred to Phase 2 of R.08-02-007. Staff expects “consideration of procurement under CAISO’s MRTU” to be addressed in the Phase 1 Proposed Decision.