

## DOCKETED

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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

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Application of San Diego Gas & Electric Company  
(U 902 E) for Authority to Partially Fill the Local Capacity  
Requirement Need Identified in D.14-03-004 and Enter  
into a Purchase Power Tolling Agreement with  
Carlsbad Energy Center, LLC.

Application 14-07-009  
(Filed July 21, 2014)

**OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)  
ON THE ALTERNATE PROPOSED DECISION OF PRESIDENT PICKER**

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April 27, 2015

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**TABLE OF AUTHORITIES**

CALIFORNIA PUBLIC UTILITIES COMMISSION DECISIONS

None.

OTHER AUTHORITIES

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**BEFORE THE PUBLIC UTILITIES COMMISSION  
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**I. INTRODUCTION**

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Gas & Electric Company (“SDG&E”) respectfully submits its Opening Comments on the Alternate Proposed Decision (“PD”) of President Picker issued in the above-captioned matter on April 6, 2015.<sup>1</sup>

SDG&E appreciates that the Alternate PD corrects the errors in the Administrative Law Judge’s (“ALJ”) PD that SDG&E identified in its March 26, 2015 and April 1, 2015 comments.

**II. COMMENTS**

SDG&E will soon be presenting its proposed short list from its pending 2014 Request for Offers (“RFO”) to its Procurement Review Group (“PRG”) (which will include, at the request of the Energy Division, a comparison between the Carlsbad Energy Center and the bids from the RFO) and expects to notify the shortlisted bidders this Summer.

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<sup>1</sup> Per Rule 14.3(a), “[p]arties may file comments on a proposed or alternate decision within 20 days of the date of its service on the parties.” The PD was served on April 6, 2015, thus SDG&E’s comments are timely filed.

In addition, the Commission has important ongoing proceedings dealing with Rate Reform, Net Energy Metering, and the Distribution Resources Plan rulemaking. Additionally, the legislature is considering proposals to expand direct access and increase renewable energy goals. These regulatory and legislative initiatives will influence utility and customer decision-making long into the future. A better understanding of the outcome of the 2014 RFO as well as the direction of related Commission proceedings and legislative initiatives will better inform SDG&E and the Commission on both the need for and make up of future long-term supply-side resources. In light of these factors, SDG&E encourages the Commission to consider the results of the 2014 RFO and the direction of these relevant regulatory and legislative initiatives prior to making a final decision on the Application.

If, on the other hand, the Alternate PD is adopted, SDG&E will fill any remaining need with preferred resources or energy storage from either its pending 2014 RFO, a future RFO or other procedural vehicle.<sup>2</sup> SDG&E is committed to pursuing additional cost effective and feasibly-available preferred resources and energy storage. To this end, SDG&E will continue to

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<sup>2</sup> As indicated at p. 6 of SDG&E's LTPP/Track 4 Procurement Plan (Preferred Resources) dated July 18, 2014, which the Energy Division approved on July 22, 2014, "Evaluating multiple resources through one solicitation will lead to better understanding of how preferred resources can meet LCR needs in a cost-effective way. However, many of the preferred resource product types that SDG&E will solicit involve emerging technologies or hybrids that are new to the market. Also, SDG&E's smaller service territory may impact the volume, and correspondingly, the competitiveness of bids for preferred resources. SDG&E will closely monitor how these issues impact the cost and effectiveness of these bids. If SDG&E is unable to procure the targeted 200 MW of preferred resources through this solicitation, it will consider one or more of the following opportunities: (1) utilize existing preferred resource programs in an effort to fulfill any remaining LCR need; (2) hold additional solicitations for preferred resources to meet LCR needs; or (3) continue working towards bilateral arrangements. SDG&E will also strive to learn more about which resources best meet local reliability needs so that LCR procurement can be more targeted."

work closely with its PRG to review the analysis of the 2014 RFO and future RFOs as needed to identify opportunities to procure preferred resources and/or energy storage to meet SDG&E's LCR need.

Respectfully submitted,

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