

**PREPARED DIRECT TESTIMONY OF DAVID ASHUCKIAN
ON BEHALF OF THE CALIFORNIA ENERGY COMMISSION
REGARDING RANGE OF NEED IN THE LONG-TERM PROCUREMENT
PLAN OF SAN DIEGO GAS & ELECTRIC COMPANY**

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1 **PREPARED DIRECT TESTIMONY OF DAVID ASHUCKIAN**
2 **ON BEHALF OF THE CALIFORNIA ENERGY COMMISSION**
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5
6 **Q1: Please state your name and business address.**

7 **A1:** My name is David Ashuckian. My business address is California Energy
8 Commission, 1516 9th Street, Sacramento, California 95814.

9
10 **Q2: Please briefly describe your responsibilities at the California Energy**
11 **Commission.**

12 **A2:** I am employed as manager of the Electricity Analysis Office of the Systems
13 Assessment & Facilities Siting Division of the California Energy Commission (Energy
14 Commission). In this capacity, my responsibilities include managing the work of
15 professional staff engaged in conducting independent, objective analyses of California's
16 electricity and natural gas systems, market, and operations.

17
18 **Q3: Please summarize your educational and professional background.**

19 **A3:** I am a Professional Engineer registered in the State of California. I obtained my
20 Bachelor of Science degree in Mechanical Engineering in 1992 from California State
21 University Sacramento, in addition to my Bachelors degree in Criminal Justice which
22 was obtained in 1981 from California State University Sacramento. My employment at
23 the Energy Commission began in 1998. My professional experience at the Energy
24 Commission includes managing the activities of the Electricity Analysis Office (EAO) for
25 the last 4 years. The function of the Electricity Analysis Office is to provide
independent, objective analysis of the electricity market and electrical system operation.

1 As manager of the Electricity Analysis Office, I supervise 35 professionals who have
2 expertise in the following subject matter areas: Electric Generation Systems Electrical
3 Engineering Mechanical. In my capacity as Manager of the EAO, I am responsible for
4 managing the development of the Summer Outlook Report, and a number of the
5 electricity and natural gas reports that Energy Commission staff have been developed
6 for the 2003, 2004, and 2005 Integrated Energy Policy Report. I have also served as
7 policy advisor to Commissioner Boyd, supervised the Commission's Transportation
8 Technology Program and have served as the Energy Commission's spokesperson on
9 electricity system need before the Legislature [**this needs to be verified**] and the
10 Energy Action Plan.

11
12 **Q4: Please state the purpose of your testimony.**

13 **A4:** The purpose of my testimony is to sponsor the position of the Energy Commission
14 by providing the California Public Utilities Commission ("CPUC") with a written
15 evaluation of SDG&E's Long Term Procurement Plan ("LTPP") on the issue of the
16 determination of the range of need. Specifically, the purpose of my testimony it to
17 provide the following:

- 18
19 1. Identification of the requirements of the Assigned Commissioner's Ruling and
20 Scoping Memo on the Long-term Procurement Phase of R.06-02-013, dated
21 September 25, 2006 ("Scoping Memo") that are applicable to SDG&E with
22 respect to range of need;
- 23
24 2. Identification of the pertinent recommendations set forth in the Energy
25 Commission's 2005 Integrated Energy Policy Report ("IEPR") and associated
report entitled "*Transmittal of 2005 Energy Report Range of Need and Policy*

1 *Recommendations to the California Public Utilities Commission* ("Transmittal
2 Report ") that are applicable to the issue of range of need;

3 3. A description of the substance of SDG&E's Long Term Procurement Plan (LTPP)
4 with respect to range of need;

5
6 4. An analysis of whether SDG&E's LTPP complies with the requirements of the
7 September 25, 2006 Assigned Commissioner's Ruling and Scoping Memo on the
8 Long-Term Procurement Phase of R.06-02-013 (Scoping Memo) with respect to
9 the range of need issues identified in item 1 above;

10
11 5. An analysis of whether SDG&E's LTPP complies with the requirements of the
12 IEPR with respect to the range of need issues in item 2 above;

13
14 6. On behalf of the Energy Commission, provide a recommended course of action
15 for CPUC to take in this proceeding with respect to SDG&E's LTPP as it relates
16 to range of need.

17
18 I am authorized to present this written testimony on behalf of the Energy Commission.

19
20 **Q5 Does SDG&E's preferred resource plan reflect the recommendations set forth**
21 **in the IEPR and *Transmittal Report* with respect to determination of need?**

22 **A5.** Not entirely. There are two areas in which the LTPP is deficient. One is the failure
23 of SDG&E to adequately consider the implications of the potential retirement of the
24 Encina facility; this is discussed above. The other relates to assumptions regarding the
25 procurement of renewable resources.

1 We have compared SDG&E's preferred plan to the plan recommended in the 2005
 2 IEPR and supporting *Transmittal Report*. Several adjustments were needed to account
 3 for an Energy Commission-approved demand forecast revision, new procurements
 4 made by SDG&E in the interim and several other factors, as noted in the comparison
 5 table below. With the exception of the two areas noted above, we determined that
 6 SDG&E's preferred plan complies with the 2005 IEPR recommendations.

	2010			2016		
	LTPP	TR	Diff.	LTPP	TR	Diff.
Peak Demand	4,844	4,586	258	5,514	4,970	544
¹ Uncommitted Energy Efficiency (-)	106	103	3	379	423	-44
¹ Price Sensitive Demand Response (-)	233	230	3	245	249	-4
Dist. Gen./Ca. Solar Initiative (-)	79	0	79	225	0	225
² Direct Access (-)	537	602	-65	537	622	-85
Bundled Customer (BC) Peak Demand						
Demand	3,889	3,651	238	4,128	3,676	452
Co-incidence Adjustment (-)	46	0	46	49	0	49
Adjusted BC Peak Demand	3,843	3,651	192	4,079	3,676	403
Adjusted BC Peak Demand * 115%	4,419	4,199	221	4,691	4,227	463
Existing Generation						
Utility Owned	1,077	938	139	1,077	938	139
Qualifying Facilities	216	221	-5	214	221	-7
CDWR	1,056	2,103	-1,047	0	0	0
Renewables	427	120	307	525	105	420

1	Other Bilateral Contracts	648	724	-76	562	661	-99
2	Total Existing Capacity	3,424	4,106	-682	2,378	1,925	453
3	Need (Adjusted BC PD * 115% minus						
4	Total Existing Capacity)	995	93	903	2,313	2,302	10
5	Generic RE Resources to Purchase	95	528	-433	341	728	-387
6	Remaining Generic Non-RE Capacity						
7	Needs for Bundled Customers	900	(435)	1,336	1,972	1,574	397

* California Energy Commission, Committee Final Transmittal of 2005 Energy Report

Range of Need and Policy Recommendations to the California Public Utilities Commission, Nov. 2005.

** Exhibit IV-3

¹ Uncommitted EE and Price Sensitive DR are TR Capacity Table entries (Base) entries for "Uncommitted EE" and "Uncommitted DDR" with each divided by 1.15 to remove the 15% reserve margin incorporated in the TR entries.

² Direct Access values are from the TR Capacity Tables (Base), summing "Peak Service Area Demand" and "Peak Bundled Customer Demand".

Q6: What level of renewable resource procurement is recommended for SDG&E in the accelerated renewables case set forth in the *Transmittal Report*?

A6: Based on SDG&E's filing in the 2005 IEPR, the Transmittal Report recommended a level of renewable procurement of 28% of SDG&E's energy needs by 2016. The

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1 III

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3 *Transmittal Reports* states:

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5 "The Energy Commission has decided to use the generic renewable energy and
6 capacity values developed by SDG&E for the accelerated renewables case
7 within the preferred renewables identified in the range of need table."¹

8

9 "[T]he Energy Commission considers the generic renewable resources identified
10 by SDG&E in its accelerated renewables case, which all parties agreed would be
11 technically achievable (though at uncertain costs), provide a useful benchmark
12 (sic)."²

13

14 "The accelerated renewables case meets the target of 28 percent by
15 2016."³

16

17 **Q7. Does SDG&E's LTPP include levels of renewable energy consistent with the**
18 **recommendations of the IEPR?**

19 **A7:** No. The Base Case submitted by SDG&E assumes renewable energy
20 procurement to be 24% of bundled customer need in 2016, 880 GWh less than the
21 amount needed to achieve a level of 28%.⁴ Based on an assumed capacity factor of 50
22 percent for renewable resources in aggregate, this amount of energy requires 201 MW
23 of capacity.⁵

24

25 ¹ Transmittal Report, page 124.
² Transmittal Report, page 124.
³ Transmittal Report, page 123.
⁴ See, direct testimony of Heather Raitt submitted concurrently herewith [conform citation] Answer 12.
⁵ Testimony of Heather Raitt at page id.

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Q8. Does the Energy Commission have a recommendation on whether the CPUC should take any action in response to the assumptions regarding the procurement of renewable energy set forth in SDG&E's LTPP?

A8: Yes.

Q9: What is that recommendation?

A9: The Energy Commission recommends that the CPUC direct SDG&E to file a LTPP that complies with the recommendations of the transmittal report. Doing so will allow for the renewable resources needed to meet the goals set forth jointly and individually by the CPUC and Energy Commission .

Q10: Does this conclude your testimony?

A10: Yes, it does.

Docket Optical System - Fwd: Re: Can you docket the staff testimony in the CPUC's LTPP here at the Commission under 06-IEP-

From: David Vidaver
To: Docket Optical System
Date: 6/19/2007 4:26 PM
Subject: Fwd: Re: Can you docket the staff testimony in the CPUC's LTPP here at the Commission under 06-IEP-
CC: Michael Doughton
Attachments: Michael Doughton

DOS,

Can you Please docket the attached electronic files in 06-IEP-1J?

thanks.