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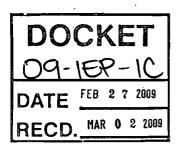SOUTHERN CALIFORNIA
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February 27th, 2009

Ms. Melissa Jones, Executive Director
California Energy Commission
1516 Ninth Street, MS-39
Sacramento, CA 95814-5504

Attention: **Docket 09-IEP-1C – Electricity Demand Forecast Forms**

Dear Docket Office:

Southern California Edison Company appreciates the opportunity to submit its Confidential Electricity Demand Forms 1.2, 1.3, 1.4, 1.5, 1.6 a&b along with the revised application for confidentiality.

Should you have any questions, please do not hesitate to contact me at (916) 441-2369.

Sincerely,

/s/ Manuel Alvarez
Manuel Alvarez
Manager, Regulatory Policy & Affairs
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

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Rosemead, CA 91770

APPLICATION FOR CONFIDENTIAL DESIGNATION
(20 CCR SECTION 2505)

2009 INTEGRATED ENERGY POLICY REPORT
DOCKET NUMBER 09-IEP-1

Applicant: Southern California Edison Company ("SCE")

Attorney for Applicant:	Walker Matthews
Address of Attorney:	2244 Walnut Grove Ave. Rosemead, California 91770 Walker.Matthews@sce.com (626) 302-6879

1. **Identification of the information being submitted, including title, date, size (for example, pages, sheets, megabytes), and docket number**

2009 Electricity Demand Forecast Forms 1.2, 1.3, 1.4, 1.5, 1.6a, and 1.6b adopted by the

California Energy Commission (CEC) on December 17, 2008, and filed in 09-IEP-1C on

February 27, 2009. The forms are approximately 16MB and are attached hereto as Attachment

1. The portions SCE seeks confidentiality for have been identified in yellow or purple

highlighting in Attachment 1. The CEC has previously granted SCE confidential treatment for

those portions of the forms highlighted in purple. The CEC has not granted SCE confidentiality

for the portions of the forms highlighted in yellow in previous years.

2. **Description of the data for which confidentiality is being requested (for example, particular contract categories, specific narratives, and time periods)**

SCE requests that the following parts of forms 1.2, 1.3, 1.4, 1.5, 1.6a, and 1.6b of SCE's

2009 Electricity Demand Forecast Forms be designated as confidential and exempt from public

disclosure.

- **Form 1.2 – Distribution Area Net Electricity for Generation Load** – SCE

  requires confidential treatment of the information contained in the following

  columns for the time periods specified:

  o Losses for the years 2008 – 2020

  o Total Distribution System Energy Requirements for the years 2008 – 2011

- o Forecast Net of Uncommitted Impacts for the years 2008 – 2011
- o Forecast Gross of Uncommitted Impacts for the years 2008 – 2011
- o Average Annual Growth Rate (%) 2007-2012

- **Form 1.3 - LSE Coincident Peak Demand by Sector (Bundled Customers) & Migrating Load Included in Forecast (MW)** – SCE requires confidential treatment contained in the following columns, for the years 2008-2011 (except as otherwise noted):
    - o Residential – Base Load
    - o Residential – Weather Sensitive
    - o Commercial – Base Load
    - o Commercial – Weather Sensitive
    - o Industrial
    - o Agricultural
    - o Water Pumping
    - o TCU & Street lighting
    - o Electric Vehicles
    - o Losses for the years 2008 – 2020
    - o Total Peak
    - o Migrating/Newly Served Load Included in Forecast – Name of LSE/IOU
    - o Migrating/Newly Served Load Included in Forecast – Name of LSE/IOU
    - o Migrating/Newly Served Load Included in Forecast – Newly Served Load
    - o Average Annual Growth Rate (%) 2007-2012

- **Form 1.4 – Distribution Area Coincident Peak Demand (MW)** – SCE requires confidential treatment of the information contained for the following columns, for the years 2008-2011:
    - o Bundled Customer Peak (from Form 1.3)
    - o Direct Access – End User Peak Demand

- o Direct Access – Losses
- o Community Choice Aggregators – End User Peak Demand
- o Community Choice Aggregators – Losses
- o Other Publicly Owned Departing Load – End User Peak Demand
- o Other Publicly Owned Departing Load – Losses
- o Other (Define)
- o Total Peak Demand
- o Forecast Net of Uncommitted Impacts
- o Forecast Gross of Uncommitted Impacts
- o Average Annual Growth Rate (%) 2007-2012

- **Form 1.5 – Peak Demand Weather Scenarios – Distribution Area Coincident Peak Demand (MW) (Report all available cases)** – SCE requires confidential treatment of the information for the following columns for the years 2008 – 2011:
  - o Utility System Energy Requirements – 1-in-2 Temperatures
  - o Utility System Energy Requirements – 1-in-5 Temperatures
  - o Utility System Energy Requirements – 1-in-10 Temperatures
  - o Utility System Energy Requirements – 1-in-20 Temperatures
  - o Utility System Energy Requirements – 1-in-40 Temperatures
  - o Average Annual Growth Rate (%) 2007-2012

- **Form 1.6.a – Recorded LSE Hourly Loads for 2007, 2008, and Forecast Loads for 2010** – SCE requires confidential treatment of the information contained in the following columns for the time period February 13, 2008 to December 31, 2008:
  - o Date (PST)
  - o Hour (PST)
  - o Bundled Load
  - o Bundled Losses

o Unbundled Load

o Unbundled Losses

o Other Load (Resale, Dept. Load)

o System Losses

o Total System Load

o Estimated Interruptible & Demand Response (history only)

o Estimated Outages (history only)

o Distributed Service Area (Net Interval) Load

o MWD

o Transmission Planning Area Load (if applicable)

o Control Area Load (for LSE's which operate a control area)

- **Form 1.6.b – Hourly Loads by Transmission Planning Subarea or Climate Zone (IOUs Only) (MW)** – SCE requires confidential treatment of the information contained in the following columns for the year 2010:

    o Zones 1 - 3

3. **A clear description of the length of time for which confidentiality is being sought, with an appropriate justification, for each confidential data category request**

For reasons discussed in more detail below, SCE requests that the specified information above be restricted from public disclosure based on either a window of confidentiality looking 3 years forward and one year back[1] or for a 3-year period.

4. **Applicable provisions of the California Public Records Act (Government Code Section 6250 *et seq.*) and/or other laws, for each confidential data category request**

SCE purchases and sells large quantities of electrical energy on behalf of its customers. The market place for such purchases and sales is highly competitive. Accordingly, information regarding the timing and quantity of energy SCE has to sell or purchase on behalf of its

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[1]   For example, a forecast in 2008 of gas prices for 2009, 2010, and 2011 would be confidential, but the forecast in 2008 of gas prices for 2012 would be public. As data become one year old, the 1-year window of confidentiality for historical data becomes applicable. Thus in the 2008 gas price forecast for 2009, 2010 and 2011, the data for 2009 should be released in 2010, when it is one year old. The data for 2010 should be released in 2011, and so on.

customers is extremely valuable and, if revealed, could place SCE at a competitive disadvantage when purchasing or selling energy. It is straightforward that information concerning SCE's forecasted demand requested in the 2009 IEPR Electricity Demand Forecast Forms 1.2, 1.3, 1.4, 1.5, 1.6a, and 1.6b (listed in Paragraph 2) provides information regarding the timing and quantity of energy SCE has to sell or purchase for its customers.

The data identified in this application requires confidential treatment because this information could allow a market participant to calculate SCE's forecasted energy supply needs for the peak of the year, or on an hourly basis. By providing a critical factor used to calculate SCE's "residual net short" position – the amount of energy SCE must procure in the market after meeting its forecasted load with "must take" and utility-retained generation – potential suppliers could calculate whether SCE had sufficient resources to meet that demand for the year, or on any particular hour or day. With such information, a supplier could charge SCE a higher price for power, or depress the price SCE could obtain for selling power when it had too much on hand. Either outcome would ultimately harm SCE's customers.

Certain statutory provisions protect this information from public disclosure. First, the Public Records Act, found at Government code §6254(k), establishes that public records subject to privileges established in the California Evidence Code are not required to be disclosed. Evidence Code §1060 shields "trade secrets" from public disclosure. "Trade secrets" include any "information, including a formula, technique, and process, that: (1) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who could obtain value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy."[2] The data for which SCE seeks confidential protection here are trade secrets because they derive value from not being known to the public, and that SCE makes reasonable efforts to maintain its secrecy. Public disclosure of this information will cause electricity prices to rise.

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[2]   Civil Code §3426.1(d).

Second, SCE recognizes that decisions of the California Public Utilities Commission (CPUC) and the statutes applicable to the CPUC may not be binding on the CEC. That being said, as a matter of consistency, the CEC should apply the same level of confidential protection to information provided to it as provided by the CPUC. In D.06-06-066, as modified by D.07-05-032, the CPUC adopted procedures to afford confidentiality to investor-owned utilities' (IOUs) procurement data, which also fulfills the "trade secret" requirement for maintaining the secrecy of information. These procedures comply with Public Utilities Code §454.5(g), which provides that "the "Commission shall adopt appropriate procedures <u>to ensure the confidentiality of any market sensitive information</u> . . ." The CEC, and numerous other stakeholders, participated in the proceeding leading up to D.06-06-066. The CPUC held a week of evidentiary hearings that included experts in the field of economics. Based on this information, D.06-06-066, as modified by D.07-05-032, attached a matrix (Confidentiality Matrix) identifying information as market sensitive when releasing the information would <u>materially increase</u> the price of electricity, thereby harming customers.[3]

In the 2009 IEPR, SCE seeks protection of information identified by the CPUC as market sensitive in the Confidentiality Matrix. Attachment 2 contains a table showing that information for which SCE is seeking confidential treatment from the CEC is or can be used to derive a category of data the CPUC has identified as market sensitive. As a regulated utility, SCE is subject to the jurisdiction of both the CEC and the CPUC. SCE is required to provide similar information to both agencies. Indeed, the information for which SCE is seeking confidential treatment in the IEPR can either be used to calculate or is nearly identical to the information for which SCE receives confidential treatment in the Confidentiality Matrix.

To maintain consistency between the CEC and CPUC and to avoid nullifying the CPUC's lawful determination that the release of market sensitive information would result in a material increase in electricity prices, the CEC should protect SCE's market sensitive information, just as the CPUC does.

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[3] See D.06-06-066 at 40-43 and Finding of Fact No. 2, at p. 76.

In summary, public disclosure of the information for which SCE seeks confidential treatment would harm SCE and its customers by revealing its energy needs. Public knowledge of this trade secret information will ultimately lead to SCE's customers being put at a competitive disadvantage when SCE procures or sells energy on their behalf. Accordingly, the CEC should grant this trade secret information confidential treatment.

5. A statement attesting a) that the specific records to be withheld from public disclosure are exempt under provisions of the Government Code, or b) that the public interest in non-disclosure of these particular facts clearly outweighs the public interest in disclosure

The data for which SCE seeks confidential treatment contains information that could allow market participants to calculate SCE's forecasted supply needs, either on an annual peak basis or on an hourly basis. By providing a critical factor in the calculation of SCE's "residual net short" position – the amount of energy SCE needs to procure in the market after meeting its forecasted load with "must take" and utility retained generation – market participants would potentially be able to calculate whether SCE has sufficient resources to meet that demand for the year, or on any particular hour or day. With such information, a supplier could charge SCE a higher price for power, or depress the price SCE could obtain for selling power when it had too much on hand. Either outcome would ultimately harm SCE's customers, who will bear the burden of the higher costs. This information is protected as a trade secret under the Public Records Act. CPUC has also determined that it is "market sensitive" information that outweighs any benefit to be gained from publicly releasing it.

All of the data for which SCE seeks protection is "market sensitive" and protected under the CPUC-approved Confidentiality Matrix. Specifically, the Form 1.2 data for which SCE requests confidentiality can be used to calculate LSE Total Energy Forecast – Bundled Customer, that is confidential under the Confidentiality Matrix, Section V.C. Similarly, the data on Forms 1.3 and 1.4 can be used to calculate LSE Peak Load Forecast by Service Area (MW), which is confidential under the Confidentiality Matrix, Section V.D. On a related note, the data on Form 1.5 for 1-in-5, 1-in-10, 1-in-20, and 1-in-40 year peak demands can be used to calculate 1-in-2 year peak demand, which also directly corresponds to LSE Peak Load Forecast by Service

Area, and is confidential under the Confidentiality Matrix, Sections V.D. and V.I. Further, year 2008 historical demand data and 2010 forecast demand data on Form 1.6a can be used to calculate LSE Total Energy Forecast – Bundled Customer, which is confidential under the Confidentiality Matrix, Sections X.E. (protecting historical data) and V.C. (protecting demand forecasts). Finally, year 2010 data requested on Form 1.6b provides information that can be used to assess LCR Peak Load Forecasts. By providing this data, a market participant could calculate SCE's forecasted supply needs within the identified areas to manipulate the electricity market.

SCE cannot assign a specific value to the information it seeks to protect. The information for which SCE seeks confidential treatment cannot be easily acquired or duplicated by others. In addition, it would be very costly to SCE's customers (and therefore commercially valuable to its suppliers) if it were publicly disclosed.

6. **A statement that describes how each category of confidential data may be aggregated with other data for public disclosure**

Through discussions with CEC staff, SCE has worked to identify information that can be aggregated with other data for public disclosure. SCE believes that its discussions with CEC staff have been very productive. Nonetheless, for the reasons stated in response to questions 3 and 4, the information required in 2009 Electricity Demand Forecast Forms 1.2, 1.3, 1.4, 1.5, 1.6a, and 1.6b cannot be aggregated or masked to allow for its public disclosure.

7. **State how the record is kept confidential by the Applicant and whether it has ever been disclosed to a person other than an employee of the Applicant. If it has, explain the circumstances under which disclosure occurred.**

Based on information and belief, SCE has not, to the best of its knowledge, previously publicly released the information for which it seeks confidentiality here. While some of the information contained in the referenced form may have previously been released to CPUC and CEC staff members, as well as non-market participants of the Procurement Review Group (PRG), SCE has only made such information available to the CPUC staff members pursuant to the confidentiality requirements provided under Public Utility Code Section 583, and to non-market participants under strict non-disclosure agreements approved by the CPUC and endorsed

by parties receiving the information. In addition, in prior IEPR proceeding, SCE has sought confidential designation from the CEC for the categories of information identified in this application. SCE has provided SCE has not, to the best of its knowledge, publicly made this data available in the form required by the CEC.

I certify under penalty of perjury that the information contained in this Application for Confidential Designation is true, correct, and complete to the best of my knowledge and that I am authorized to make the application and certification on behalf of the Applicant.

Dated: February 27, 2009

Signed: _____

Name: Carl Silsbee
Title: Manager of Resource Policy and Economics

ATTACHMENT 1

HIGHLIGHTED DEMAND FORMS

ATTACHMENT 2

TABLE CORRELATING IEPR MARKET SENSITIVE INFORMATION TO

CPUC D.06-06-066 MATRIX

TABLE CORRELATING IEPR MARKET SENSITIVE INFORMATION TO CPUC D.06-06-066 MATRIX

Description of the data for which SCE requires confidential treatment from the CEC	Portion of the Matrix to D.06-06-066 Granting Confidentiality	Length of Time Matrix Grants Confidentiality
Form 1.2 Distribution Area Net Electricity for Generation Load. o Losses 2008 thru 2020; o Total Distribution System Energy Requirements 2008-2011; o Forecast Net of Uncommitted Impacts for the Years 2008 – 2011); o Forecast Gross of Uncommitted Impacts for the years 2008 – 2011 o Average Annual Growth Rate (%) 2007-2012.	V.C. LSE Total Energy Forecast – Bundled Customer *Note – The data on Form 1.2 that SCE requires confidential treatment from the CEC can be used to calculate LSE Total Energy Forecast – Bundled Customer, which is confidential under the CPUC Matrix. Losses do not change significantly over time. Therefore, SCE requires confidential treatment of forecasted losses thru 2020.*	Front three years of forecast data confidential
Form 1.3 LSE Coincidental Peak Demand by Sector (Bundled Customers). o Losses 2008 thru 2020; o All Other Categories 2008 thru 2011; and o Average Annual Growth Rate (%) 2007-2012.	V.D LSE Peak Load Forecast by Service Area (MW) *Note – The data on Form 1.3 that SCE requires confidential treatment from the CEC can be used to calculate LSE Peak Load Forecast by Service Area (MW), which is confidential under the CPUC Matrix. Losses do not change significantly over time. Therefore, SCE requires confidential treatment of forecasted losses thru 2020.*	Front three years of forecast data confidential

Description of the data for which SCE requires confidential treatment from the CEC	Portion of the Matrix to D.06-06-066 Granting Confidentiality	Length of Time Matrix Grants Confidentiality
Form 1.4 Distribution Area Coincidental Peak Demand. o All Categories 2008 thru 2011 (except Total Uncommitted MW Impacts from Form 3.2); and o Average Annual Growth Rate (%) 2007-2012	V.D LSE Peak Load Forecast by Service Area (MW) *Note – The data on Form 1.4 that SCE requires confidential treatment from the CEC, can be used to calculate LSE Peak Load Forecast by Service Area (MW), which is confidential under the CPUC Matrix.*	Front three years of forecast data confidential
Form 1.5 Peak Demand Weather Scenarios Distribution Area Coincidental Peak Demand. o Utility System Energy Requirements (2008 thru 2011 all categories); and o Average Annual growth Rate (%) 2007-2012	V.I. Incremental peak load from 1:5, 1:10, and 1:20 compared to 1:2 peak *Note – 1:5 1:10, and 1:20 temperatures are confidential under Section V.I of the CPUC Confidentiality Matrix. 1:40 temperatures should be protected under the same principles. In addition, the data on Form 1.5 for 1:5, 1:10, 1:20, and 1:40 temperatures that SCE requires confidential treatment from the CEC can be used to calculate 1:2 peak, which corresponds to LSE Peak Load Forecast by Service Area, and is confidential under the CPUC Matrix.*	Front three years of forecast data confidential
	V.D LSE Peak Load Forecast by Service Area (MW) *Note – 1-in-2 year temperature demand corresponds to LSE Peak Load Forecast by Service Area, which is confidential under the CPUC Matrix.*	Front three years of forecast data confidential

Description of the data for which SCE requires confidential treatment from the CEC	Portion of the Matrix to D.06-06-066 Granting Confidentiality	Length of Time Matrix Grants Confidentiality
Form 1.6a Recorded LSE Hourly Loads for 2007, 2008, and Forecast Loads for 2010. o Recorded LSE Hourly Loads from February 13, 2008 to December 31, 2008 and Forecast Loads for 2010 (Entire Table)	X.E. Total IOU Bundled Customer historical energy sales *Note – 2008 loads constitutes confidential historical energy sales and can be used to calculate LSE Total Energy Forecast – Bundled Customer, which is confidential under the CPUC matrix.* V.C. LSE Total Energy forecast – Bundled Customer *Note – 2010 forecast loads can be used to calculate LSE Total Energy Forecast – Bundled Customer, which is confidential under the CPUC Matrix.*	Daily, hourly data are confidential until the data is one year old Front three years of forecast data confidential
Form 1.6.b – Hourly Loads by Transmission Planning Subarea or Climate Zone (IOUs Only) (MW) o Zones 1- 3 (2010 data)	Not in matrix but can be used to calculate V1.A Utility Bundled Net Open Position for Capacity *Note – The 2010 data requested on Form 1.6b for Zones 1-3 can be used to assess the distribution of LSE Peak Load Forecast which can be compared to local capacity requirements to reveal area Net Short.*	Front three years of forecast data confidential