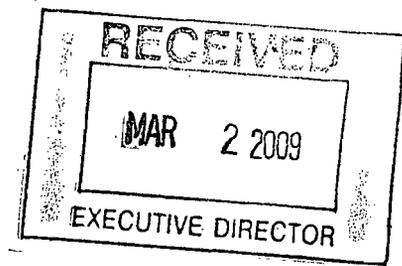


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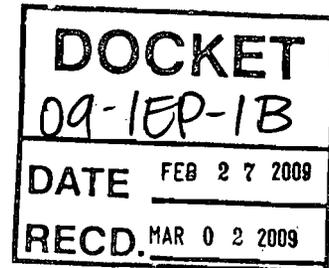
SOUTHERN CALIFORNIA  
**EDISON**<sup>®</sup>

An EDISON INTERNATIONAL<sup>®</sup> Company



February 27th, 2009

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



Attention: **Docket 09-IEP-1B – Electricity Resource Plans**

Dear Docket Office:

Southern California Edison Company appreciates the opportunity to submit its Confidential Electricity Resource Plan Forms S-1, S-2, and S-5 along with revised applications 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

2244 Walnut Grove Ave  
Rosemead, CA 91770

APPLICATION FOR CONFIDENTIAL DESIGNATION  
(20 CCR SECTION 2505)

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



Applicant: Southern California Edison Company ("SCE")

Attorney for Applicant:	Carol A. Schmid-Fraze
Address of Attorney:	2244 Walnut Grove Ave. Rosemead, California 91770 <u>Carol.SchmidFraze@sce.com</u> (626) 302-1337

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

2009 Electricity Resource Planning Forms S-1 and S-2 adopted by the California Energy Commission (CEC) on December 17, 2008, and filed in 09-IEP-1B on February 27, 2009. The forms are approximately 168 kilobytes 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, but in some cases, has granted confidentiality to Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) for the same portions of their forms.

**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 S-1 and S-2 of SCE's 2009 Electricity Resource Planning Forms, be designated as confidential and exempt from public disclosure.

- **Form S-1 Capacity Resource Accounting Table (CRATs)** – SCE requires confidential treatment of the information contained in the following rows for the time periods specified:
  - 1a – Forecast Total Peak Hour 1-in-2 Demand for the years 2008-2011

- Line 7 – Direct Access Loads for the years 2008-2011
- Line 8 – Subtotal Adjustments to Peak-Hour Demand of Lines 2 through 7 for the years 2008-2011
- Line 9 – Adjusted Peak Hour Demand: End Use Sum Lines 1A and 8 for the years 2008-2011
- Line 10 and 11 – Coincidence Adjustment and Coincidence Peak-Hour Demand for the years 2008-2011
- Line 12a – Required Planning Reserve margin for the years 2008-2011
- Line 13 – Firm Sales Obligations for the years 2008-2011
- Line 14 – Firm LSE Peak-Hour Requirement for the years 2008-2011
- Lines 15a-15c – Total Dependable Fossil Capacity and Four Corners 4 & 5, for the years 2008-2011
- Line 15f – SCE Generic LM6000s, for the years 2008-2020
- Lines 16a-16f – Total Dependable Nuclear Capacity, Palo Verde 1, 2 and 3 and SONGS 2 & 3 for the years 2008-2011
- Lines 17a & 17b – Total Dependable Hydroelectric Capacity (actual 1-in-5) and Total Hydro Plants over 30 MW (actual 1-in-5), for the years 2008-2020
- Line 20a – Total QF Capacity, for the years 2008-2011
- Line 20g – Natural Gas, for the years 2008-2011
- Lines 22c through 22db, various bilateral contracts, for the years 2008-2011
- Line 23 – Short Term and Spot Market Purchases for the years 2008-2011
- Line 24 – Total and Existing Planned Capacity for the years 2008-2011
- Line 25 – (Resource Need) or Resource Surplus, for the years 2008-2011
- Line 27 – Generic Non-renewable resources for the years 2009-2011
- Lines 29 through 33 – for the year 2008 only

- **Form S-2 – Energy Balance Resource Accounting Table** – SCE requires confidential treatment of the information contained in the rows labeled, for the years 2009-2011, except as noted below:
  - Line 1a – Forecast Total Energy Demand/Consumption for the years
  - Lines 9 & 10 – Adjusted Energy Demand/Consumption and Firm Sales Obligations
  - Line 11, Firm LSE Energy Requirement
  - Lines 12a, 12b, and 12c – Total Fossil Energy Supply, Four Corners 4 & 5
  - Lines 12d, 12e and 12f – Mountainview 3 & 4 and SCE Generic LM6000s for the years 2008 through 2020
  - Lines 13a through 13f – Total Nuclear Energy Supply, Palo Verde 1, 2 and 3 and SONGS 2 & 3
  - Line 14a – Total Energy: Hydro Plant over 30 MW (actual 1-in-2) for the years 2008 through 2020
  - Lines 14d and 14e – Hydroelectric Energy in Dry-Year Conditions (1-in-5) and Hydroelectric Energy in Wet-Year Conditions (1-in-5) for the years 2009 through 2020
  - Lines 16a through 16l – Total Energy Supply from DWR Contracts and Individual DWR Contracts
  - Line 17a – Total Energy Supply from QF Contracts
  - Line 17g – Natural Gas
  - Line 19a – Total Energy Supply from Other Bilateral Contracts
  - Lines 19e through 19cx – Various Bilateral Contracts
  - Line 20 – Short Term and Spot Market Purchases
  - Lines 21 and 22 – Total: Existing and Planned Energy and (LSE Energy Need) or Surplus

- Lines 23, 24 and 25 – Generic Renewable Energy, Generic Non-Renewable Energy, and Total Generic Resources to be added
- Line 26b – QF Renewable Contract Resources
- Lines 26d through 26k – Generic Renewable Energy, Total State-Defined Eligible Renewable Energy, Other LSE-Defined Renewable Energy, Ineligible Biomass Energy, RPS Eligible Cogeneration Energy, Other Out of State Renewable Resources, Total: Actual/Expected Renewable Energy, Renewable Energy as a Percentage of End-Use Demand
- Line 28 – Renewable Energy as a percentage of retail sales

**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<sup>1</sup> 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 customers is extremely valuable and, if revealed, could place SCE at a competitive disadvantage when purchasing or selling energy.

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

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<sup>1</sup> 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.

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."<sup>2</sup> The data for which SCE seeks confidential protection here are trade secrets because they derive value from not being known to the public. In addition, SCE makes reasonable efforts to maintain the secrecy of this data. Public disclosure of this information will cause electricity prices to rise.

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 to ensure the confidentiality of any market sensitive information . . ." The CEC, and numerous other stakeholders,

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<sup>2</sup> Civil Code §3426.1(d).

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 materially increase the price of electricity, thereby harming customers.<sup>3</sup>

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 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 has received confidential treatment in various proceedings before the CPUC pursuant to 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.

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.

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<sup>3</sup> See D.06-06-066 at 40-43 and Finding of Fact No. 2, at p. 76.

**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.

SCE cannot assign a specific value to the information it seeks to protect. The hourly and peak 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 4 and 5, the information required in Supply Forms S-1 and S-2 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. Some of the information contained in the referenced forms may have previously been released to CPUC and CEC staff members. Regarding CPUC staff members, SCE has identified the information as submitted pursuant to Public Utilities Code Section 583 and followed all other CPUC procedures to maintain its confidentiality. Regarding CEC staff members, SCE has identified the information as confidential and has followed all CEC procedures to protect the confidentiality of the information. SCE may have also previously released the information to non-market participants of the Procurement Review Group (PRG). SCE has only made such information available to non-market participants under strict non-disclosure agreements approved by the CPUC and endorsed by parties receiving the information. 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: Carl Silsbee

Name: Carl Silsbee

Title: Manager of Resource Policy and Economics

**ATTACHMENT 1**

**HIGHLIGHTED SUPPLY FORMS S-1 and S-2**

**ATTACHMENT 2**  
**TABLE CORRELATING IEPR MARKET SENSITIVE INFORMATION TO**  
**CPUC D.06-06-066 MATRIX**

<b>Description of the data for which SCE requires confidentiality treatment from the CEC</b>	<b>Portion of the Matrix to D.06-06-066 the CPUC Granted Confidentiality</b>	<b>Length of Time Protection was Granted</b>
Form S-1 (Lines 1a, 7-11, 12a, 13, 14 and 29-33), Net Peak Demand for End-Use Customers, Firm LSE Peak Resource Requirement, and Actual Non-coincident Peak Load	V.B. LSE Total Peak Load Forecast – Bundled Customer (MW)  X.A. Bundled customer total historical peak demand	Front three years of forecast data confidential  Historical data for 1 year
Form S-1 (Lines 15a-15c, 15f, and 16a-16f), Utility-Controlled Fossil and Nuclear Resources	IV.A. Forecast of IOU Generation Resources	Confidential for three years
Form S-1 (Lines 17a & 17b), Utility-Controlled Hydroelectric Resources: Total Dependability Capacity and Total for All Hydro Plants over 30 MW	IV.A. Forecast of IOU Hydro Greater than 30 MW	Confidential for three years
Form S-1, (Line 20a) Total QF	IV.B Forecast of Qualifying Facility Generation	Confidential for three years
Form S-1 (Line 20g) Natural Gas	Not in matrix, but can be used to calculate IV.B Forecast of Qualifying facility generation	Confidential for three years
Form S-1 (Lines 22c through 22ae), <i>Individual Bilateral Contracts</i>	IV.E. Forecast of Pre – 1/1/2003 (Old World) Bilateral Contracts  IV.F Forecast of Post – 1/1/2003 (New World) Bilateral Contracts	Individual contract information confidential for three years, or until one year following expiration, whichever comes first
Form S-1 (Line 23), Short-Term and Spot Market Purchases	IV.J. Forecast of Wholesale Market Purchases IV.K. Forecast of Wholesale Market Sales	Front three years of forecast of aggregate purchases and sales confidential
Form S-1 (Lines 24 and 25), Total Existing and Planned Capacity and Resource Need or Resource Surplus	Not in matrix, but can be used to calculate information in VI.A Utility Bundled Net Open Position for Capacity	Front three years of forecast data confidential
Form S-1, (Line 27) Non-	Not in matrix but can be used	Front three years of forecast

<b>Description of the data for which SCE requires confidentiality treatment from the CEC</b>	<b>Portion of the Matrix to D.06-06-066 the CPUC Granted Confidentiality</b>	<b>Length of Time Protection was Granted</b>
Renewable Generic Resources	to calculate VI.A Utility Bundled Net Open Position for Capacity	data confidential
Form S-2, (Lines 1a) Forecast Total Energy Demand	V.C. LSE Total Energy Forecast – Bundled Customer (MWh)	Front three years of forecast data confidential
Form S-2 (Lines 9, 10, 11), Firm LSE Energy Requirement	V.C. LSE Total Energy Forecast – Bundled Customer (MWh)	Front three years of forecast data confidential
Form S-2 (Lines 12a – 12f and 13a – 13f), Utility Controlled Fossil and Nuclear Resources	IV.A. Forecast of IOU Generation Resources	Confidential for three years
Form S-2, (Lines 14b, 14d and 14e) Total Energy from All Hydro Plants over 30 MW, Hydroelectric Energy in Dry-Year Conditions, and Hydroelectric Energy in Wet-Year Conditions.	IV.C. Forecast of IOU Hydro Greater than 30 MW	Confidential for three years
Form S-2 (Lines 16a-161) Total Energy Supply for DWR Contracts of Individual DWR Contractors	I.A.S. Monthly California DWR Contracts	Confidential for three years
Form S-2, (Line 17a) QF Contractual Resources	IV.B. Forecast of Qualifying Facility Generation	Confidential for three years
Form S-2 (Line 17g) Natural Gas	Not in matrix but can be used to calculate IV.B Forecast of Qualifying Facility Generation	Confidential for three years
Form S-2, (Lines 19a and 19c – 19ae) Other Bilateral Contracts, except APS, Airforce Contracts, Hoover, Park, and Non-renewable DG Supply	IV.E. Forecast of Pre-1/1/2003 (“Old-World”) Bilateral Contracts IV.F. Forecast of Post-1/1/2003 (“New-World”) Bilateral Contracts	Individual contract information confidential for three years, or until one year following expiration, whichever comes first
Form S-2, (Line 20) Short Term and Spot Market Purchases & Sales	IV.J. Forecast of Wholesale Market Purchases IV.K. Forecast of Wholesale Market Sales	Front three years of forecast of aggregate purchases and sales confidential
Form S-2, (Lines 21 and 22) Total Existing and Planned Energy and LSE Energy Need	VI.B. Utility Bundled Net Open Position for Energy	Front three years of forecast data confidential

Description of the data for which SCE requires confidentiality treatment from the CEC	Portion of the Matrix to D.06-06-066 the CPUC Granted Confidentiality	Length of Time Protection was Granted
or Surplus		
Form S-2, (Lines 23, 24, 25 and 26) Generic Renewable Energy, Non-Renewable Generic Resources, and Total Energy of Future Generic Resources	Not in matrix, able to back into confidential information on VI.B. Utility Bundled Net Open Position for Energy	Front three years of forecast data confidential
Form S-2, (Line 26b) QF Renewable Contract Resources	IV.B. Forecast of Qualifying Facility Generation	Confidential for three years
Form S-2, (Lines 26d – 26k and 28) Renewable Energy and End-Use Demand	Not in matrix, able to back into confidential information on VI.B. Utility Bundled Net Open Position for Energy (MWh)	Front three years of forecast confidential