

January 9, 2013

**VIA E-MAIL DOCKET@ENERGY.
CA.GOV**California Energy Commission
Docket Office, MS-4
Re: Docket No. 13-IEP-1K
1516 Ninth Street
Sacramento, CA 95814-5512

California Energy Commission

DOCKETED**13-IEP-1K****TN # 72469****JAN 09 2014**Re: 2013 Integrated Energy Policy Report: Estimating Burner Tip Prices, Uses, and Potential Issues—Comments of Pacific Gas and Electric Company

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to review and provide comments on the California Energy Commission (CEC) Draft Staff Report, titled “Estimating Burner Tip Prices, Uses, and Potential Issues”¹ (Draft Report). The purpose of PG&E’s comments is to express appreciation for Staff’s effort in preparing the Draft Report and to request additional discussion in Chapter 3, as described below.

Burner tip prices are an important input to various system planning models, including the cost of generation model and production simulation, among others. While the CEC has provided estimates for burner tip prices since the 1990s, the Draft Report marks the first time that CEC Staff has formally documented its estimation methodology. This important first step will improve transparency and stakeholder understanding of the CEC’s gas burner tip prices forecasting methodology.

PG&E also appreciates CEC Staff’s examination of other burner tip gas price estimation methods, as described in Chapter 3. Overall, PG&E found the information and analysis in Chapter 3 timely and valuable. However, stakeholder understanding of Chapter 3 would be aided by the addition of a summary table. The summary table would highlight the differences of each gas price forecasting method (*e.g.*, hub prices, transportation cost, monthly prices) that are referenced in the text. Additionally, the CEC should provide the actual numerical data referenced as graphs in Chapter 3 (*i.e.*, Figures 6 through 26) within Chapter 3 or in a report appendix. These changes would contribute to the overall transparency of and stakeholders’ ability to understand the Draft Report.

¹ Deaver, P. (2013). *Estimating Burner Tip Prices, Uses, and Potential Issues*. Sacramento, CA: California Energy Commission. Retrieved from <http://www.energy.ca.gov/2013publications/CEC-200-2013-006/CEC-200-2013-006.pdf>

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In conclusion, PG&E reiterates its appreciation for the preparation of the Draft Report and appreciates the consideration of these comments. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

/s/

Matthew Plummer

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