

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

Order Instituting Rulemaking to Continue)	
Implementation and Administration of California)	Rulemaking 08-08-009
Renewables Portfolio Standard Program.)	
<hr/>		(Filed August 21, 2008)

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) MARCH 2010
COMPLIANCE REPORT PURSUANT TO THE CALIFORNIA RENEWABLES
PORTFOLIO STANDARD

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Dated: **March 1, 2010**

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In accordance with California Public Utilities Commission ("Commission") Decisions ("D.") 05-07-039, D.06-05-039, and D.06-10-050, Southern California Edison Company ("SCE") respectfully submits its March 2010 Compliance Report pursuant to the California Renewables Portfolio Standard ("RPS").

I.

INTRODUCTION

In D.05-07-039, the Commission directed load-serving entities ("LSEs") to make RPS compliance filings on March 1 and August 1 of each year, with an opportunity to amend or supplement the March 1 filing by May 1.¹ The March 1 filing summarizes an LSE's progress toward achieving its current-year RPS annual procurement target ("APT"). In D.06-05-039, the Commission required the investor-owned utilities to also submit project development status reports with their semi-annual RPS compliance filings.²

¹ D.05-07-039 at 27, 45.

² D.06-05-039 at 23.

SCE's March 2010 Compliance Report includes the most recent RPS Compliance Report and Project Development Status Report worksheets distributed by the Commission's Energy Division.³

II.

SCE'S RPS COMPLIANCE REPORT

The attached RPS Compliance Report spreadsheet demonstrates that SCE has met its 2009 APT of 15,832,759 MWh by using a combination of energy deliveries and flexible compliance mechanisms. As detailed in the spreadsheet, SCE has satisfied part of its 2009 APT by using surplus procurement bank balance. As the Commission held, "if eligible procurement is not used to meet the APT in the year in which it was procured, it may be reported as surplus procurement and may be banked and used to meet procurement targets in past or future years."⁴ As further explained in the spreadsheet, SCE has also "earmarked" future deliveries from RPS contracts to meet its 2009 APT. The Commission's flexible compliance rules for RPS procurement allow LSEs to earmark future deliveries from executed contracts. Such earmarking is allowed to fill an RPS procurement deficit in excess of 0.25% of the LSE's prior year's retail sales, so long as the earmarked deliveries fill the deficit no more than three years after the year in which the deficit occurred.⁵ As demonstrated in the spreadsheet, SCE has earmarked deliveries from contracts arising out of its 2003, 2005, 2006 and 2007 solicitations according to the Commission's flexible compliance rules.

Also included in the spreadsheet are renewables deliveries from the California Department of Water Resources contract with the Mountain View I and Mountain View II wind facilities. Specifically, SCE has included 2003 through 2006 deliveries. These deliveries are currently under review by the California Energy Commission ("CEC"), whose staff recently

³ Additionally, pursuant to the requirements of Resolution E-4199, SCE has included one updated AMFs Calculator with the confidential version of its Project Development Status Report.

⁴ D.06-10-050, Attachment A at 8.

⁵ *Id.* at 9-10; *see also* D.05-07-039 at 39-40.

issued a Draft RPS 2006 Procurement Verification Report recommending that SCE not be able to count these deliveries toward the RPS; however, that report has not yet been approved by the CEC's Commissioners.

The RPS Compliance Report spreadsheet also includes forecasts of SCE's RPS procurement for 2010 through 2013. Using a combination of forecast deliveries and flexible compliance in the form of banking and earmarking, SCE forecasts compliance throughout the planning horizon. SCE's forecast assumes that all contracts signed and not yet terminated will deliver and come on-line as expected, and that SCE's current portfolio will produce as it has historically. The forecast included in this filing also assumes that direct access will be phased in beginning in July 2010. As these key assumptions change and project information changes, so will future RPS procurement needs.

Finally, SCE forecasts that it will achieve its RPS targets in an uneven fashion, with some future years showing potential surpluses and other years showing shortfalls. This unevenness is attributable to contract expirations, newly contracted projects not coming on-line as scheduled, and transmission and permitting delays. SCE expects to utilize flexible compliance mechanisms to demonstrate a smooth compliance trajectory. Accordingly, as shown in the RPS Compliance Report spreadsheet, periods of excesses will be used to fill shortfalls.

III.

BARRIERS TO FUTURE RPS COMPLIANCE

Five primary factors have affected SCE's ability to reach the overall RPS goal of 20% renewables and will continue to be issues in meeting a 33% renewable energy goal:

1. Permitting, siting, approval, and construction of transmission;
2. Uncertainty surrounding the federal production and investment tax credits;
3. Heavily subscribed interconnection queue;

4. Developer experience and performance; and
5. Lack of flexibility in the regulatory process to pursue all procurement options.⁶

The lack of sufficient transmission infrastructure and the prolonged process for permitting and approval of new transmission lines continues to be the most significant impediment to reaching the State's renewable energy goals. As discussed in previous filings, contract evaluation and negotiation often occur in the early stage of project development where limited or no transmission information is known. SCE has received relatively few proposals from renewable generators that do not require significant transmission upgrades or new transmission development for the project to come on-line and start delivering. Based on the market responses in SCE's RPS solicitations, transmission constraints continue to be the single greatest issue to bringing new renewable resources on-line.

Over the past few years, SCE has taken several actions to address the impediment of transmission to achieving California's renewable energy goals. Among other things, SCE has attempted to expedite permitting and construction by: (1) proactively providing the upfront financing for needed transmission network upgrades, (2) seeking authorization to record costs associated with interconnection and environmental studies for renewable projects, (3) providing leadership to the California Independent System Operator's ("CAISO") reform of the Large Generator Interconnection Procedures ("LGIP"), and (4) requesting authority to study the feasibility of developing transmission capacity to deliver output from potential renewable resources. Additionally, SCE recently completed construction of the Antelope Transmission Project near Tehachapi, California. In December 2009, SCE also received a favorable Certificate of Public Convenience and Necessity ("CPCN") decision to construct the Tehachapi Renewable

⁶ Notably, the Commission has identified several of these factors as impediments to reaching the State's renewable energy goals. *See e.g.*, Renewables Portfolio Standard Quarterly Report at 7 (Q4 2009); Renewables Portfolio Standard Quarterly Report at 7 (July 2009); Renewables Portfolio Standard Quarterly Report at 7 (July 2008); Renewables Portfolio Standard Quarterly Report at 5 (April 2008).

Transmission Project (“TRTP”).⁷ Furthermore, SCE has an active application for a CPCN relating to the approval of transmission lines that will support interconnection of renewable resources.⁸ Despite these efforts, SCE still expects transmission to continue to be a significant impediment to achieving the State’s renewable energy goals.

The long and complicated permitting process for renewable generation facilities is also a barrier to meeting the State’s renewable energy goals. The Commission recently observed that most RPS project delays “are due to lack of transmission or generation permitting at the county, state, or federal level.”⁹ The Commission’s 33% Renewables Portfolio Standard Implementation Analysis Preliminary Results report also noted that environmental concerns, legal challenges, and public opposition can impact the timeline for bringing renewable generation projects on-line.¹⁰

Another factor affecting achievement of the State’s renewable energy goals is the uncertainty surrounding the federal production and investment tax credits. Many renewable generation projects rely on these tax credits, prompting the Commission to call this factor “the number one source of risk to new RPS generation expected to come online by 2010” in July 2008.¹¹ Contracts often have no-fault termination rights if the tax credits are not extended. Sending signals to the renewables market that these credits will be available over the long-term will stimulate sustained investment in renewable resources rather than the “boom and bust” cycle induced by the uncertainty regarding whether the federal tax credits will be available.

The American Recovery and Reinvestment Act of 2009 (“ARRA 2009”) extended the production tax credit for wind until the end of 2012, and for other technologies until the end of 2013.¹² The investment tax credit for solar was also extended until the end of 2016. While the ARRA 2009’s extension of the tax credits relieved some uncertainty for near-term projects, the

⁷ See D. 09-12-044.

⁸ See Application (“A.”) 09-05-027, Eldorado-Ivanpah Transmission Project; A.05-04-015.

⁹ Renewables Portfolio Standard Quarterly Report at 7 (Q4 2009).

¹⁰ 33% Renewables Portfolio Standard Implementation Analysis Preliminary Results at 4 (June 2009).

¹¹ Renewables Portfolio Standard Quarterly Report at 7 (July 2008).

¹² See American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (2009).

“on again, off again” nature of these tax credits continues to be a barrier to renewable development. In particular, the expiration of the production tax credit for wind at the end of 2012 currently impacts proposed wind generating facilities given the time needed for Commission approval of contracts, siting, permitting, construction, and development of needed transmission. Additionally, the uncertain future of the federal production and investment tax credits will likely continue to be a long-term barrier to meeting a 33% renewables goal.

Heavy subscription to the CAISO interconnection queue continues to affect project development. The number and aggregate capacity of projects in the CAISO interconnection queue are increasing at rates never before experienced in California. SCE played a leadership role among California Participating Transmission Owners in the stakeholder process that led to reforms of the CAISO LGIP, which were approved by the Federal Energy Regulatory Commission in 2008 and are currently being implemented. The CAISO saw a significant amount of generation interconnection requests withdrawn in December 2008 and December 2009 resulting from implementation of the reformed LGIP. However, SCE has seen a substantial increase in the number of requests under 20 MW in its service territory under the Small Generator Interconnection Procedures (“SGIP”). SCE’s active interconnection queue currently comprises 33,100 MW of interconnection requests, 26,600 MW of which are renewable resources, as of February 23, 2010.¹³

Achieving the State’s renewable energy goals is also dependent on the performance of renewable developers. SCE has executed contracts with a large number of developers. To qualify for California’s RPS program, these developers must plan for, permit, construct, and operate their facilities according to milestones set in the contracts. Developers have significant hurdles during these activities and it is always possible that milestone schedules will be altered. To the extent delays occur, they continue to impact the amount of delivered energy on which

¹³ The 33,100 MW amount is inclusive of all active interconnection requests under the CAISO and the Wholesale Distribution Access Tariff for both Large (>20 MW) and Small (<20MW) Generator Interconnection Procedure requests.

SCE can rely to reach the State's goals. SCE is constantly monitoring its portfolio of renewable contracts and working with developers to support their efforts to mitigate these issues to the extent possible.

Finally, in view of these major challenges to achieving the State's renewable energy goals, it is crucial that California expand the supply of renewable resources by allowing the broadest possible market of eligible renewable products. However, lack of flexibility in the regulatory process surrounding two procurement options – unbundled renewable energy credits ("RECs") and short-term renewable energy transactions – impedes progress toward California's goals.

SCE has consistently advocated the authorization of unbundled RECs. The use of unbundled RECs helps protect electricity customers from limitations in supply and provides owners and LSEs much needed flexibility and contracting options. This ultimately leads to lower transaction costs and promotes more liquid and price-competitive renewable energy markets. Overall, RECs are an important program element that can contribute to a better and more efficient RPS program in general and lead to more investment and stability in the renewable market.

Despite the fact that the Commission has been authorized to allow the use of unbundled RECs for California's RPS program since Senate Bill 107 took effect in 2007 and the issuance of three proposed decisions on the issue, the Commission has not yet allowed the use of such RECs. SCE urges the Commission to expeditiously approve a reasonable decision authorizing the use of unbundled RECs.

Moreover, SCE previously sought pre-approval for a limited amount of short-term renewable transactions in its 2009 RPS Procurement Plan.¹⁴ Although investor-owned utilities ("IOUs") may enter into short-term renewable energy transactions, the current Commission approval process for these contracts limits the IOUs' ability to act swiftly and is simply

¹⁴ Southern California Edison Company's (U 338-E) 2009 RPS Procurement Plan, Attachment 1 at 29-30 (September 15, 2008).

commercially unworkable in the marketplace. In particular, the lengthy process of requiring each RPS contract to be submitted for approval via advice letter or application and then reviewed and approved on a contract-by-contract basis negates the benefit of signing short-term transactions that can begin deliveries shortly after execution.

Notwithstanding these problems with the current process, the Commission previously denied SCE's request for pre-approval authority and instead adopted a "fast-track" approval process for short-term renewable contracts that satisfy certain specific conditions.¹⁵ Unfortunately, this process does not adequately address SCE's concerns. The process severely limits the amount of renewable energy transactions eligible for approval and does not provide sufficient flexibility. Accordingly, SCE's 2010 RPS Procurement Plan again seeks Commission pre-approval to enter into a limited quantity of short-term renewable energy transactions that would serve to benefit customers and California's goals.¹⁶ The Commission should approve SCE's proposal.

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¹⁵ See D.09-06-050.

¹⁶ Southern California Edison Company's (U 338-E) 2010 RPS Procurement Plan, Attachment 1 at 29-33 (December 18, 2009).

IV.

CONCLUSION

With attention to the information set forth in the foregoing summary, SCE hereby submits its RPS Compliance Report for March 2010.

Respectfully submitted,

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March 1, 2010

**DECLARATION OF GARY L. ALLEN REGARDING THE CONFIDENTIALITY OF
CERTAIN DATA**

I, Gary L. Allen, declare and state:

1. I am the Manager of Strategic Planning in the Renewable and Alternative Power department at Southern California Edison Company ("SCE"). As such, I had responsibility for preparing and supervising the preparation of SCE's March 2010 Compliance Report Pursuant to the California Renewables Portfolio Standard ("RPS") (the "Protected Materials"). I make this declaration in accordance with the Administrative Law Judge's Ruling Clarifying Interim Procedures for Complying with Decision ("D.") 06-06-066, issued on August 22, 2006 in California Public Utilities Commission ("Commission" or "CPUC") Rulemaking ("R.") 05-06-040. I have personal knowledge of the facts and representations herein and, if called upon to testify, could and would do so, except for those facts expressly stated to be based upon information and belief, and as to those matters, I believe them to be true.

2. I have reviewed the Protected Materials. Listed below are the data in the Protected Materials for which SCE is seeking confidential treatment and the categories on the Matrix of Allowed Confidential Treatment Investor Owned Utility ("IOU") Data ("Matrix") to which these data correspond. Also set forth is an explanation of why the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure:

Data	Spreadsheet/Tab and Cell Reference	Matrix Category	Reason why data cannot be aggregated, etc.
Forecast of bundled customer energy retail sales and information that easily calculates back to this forecast	RPS Compliance Report: Accounting tab: "Bundled Retail Sales" (2011-2013) (Cells L:13-N:13) "Annual Procurement Target (APT)" (2011-2013) (Cells L:15-N:15) "Incremental Procurement Target (IPT)" (2011-2013) (Cells L:16-N:16)	V.C LSE Total Energy Forecast – Bundled Customer (MWh)	Detailed information is required to complete CPUC worksheet.

	<p>“Preliminary Procurement Surplus/(Deficit)” (2011-2013) (Cells L:17-N:17)</p> <p>“Actual Procurement Percentage” (2011-2013) (Cells L:19-N:19)</p> <p>“Adjusted Procurement Percentage” (2011-2013) (Cells L:20-N:20)</p> <p>“Maximum Deficit Eligible for Deferral” (2011-2013) (Cells L:25-N:25)</p> <p>“Portion of Current Year Deficit Eligible for Earmarking” (2011-2013) (Cells L:42-N:42)</p> <p>“Surplus Procurement Bank Balance as of Prior Year” (2011-2013) (Cells L:55-N:55)</p> <p>“Application of Banked Surplus Procurement to Current Year Deficit” (2011-2013) (Cells L:56-N:56)</p> <p>“Cumulative Surplus Procurement Bank Balance” (2011-2013) (Cells L:58-N:58)</p> <p>RPS Compliance Report: Performance Chart tab:</p> <p>“Total Retail Sales” (2011-2013) (Cells K:7-M:7)</p> <p>“Actual RPS Procurement %” (2011-2013) (Cells K:8-M:8)</p> <p>“IPT” (2011-2013) (Cells K:9-M:9)</p> <p>“APT as MWh Amount” (2011-2013) (Cells K:11-M:11)</p> <p>“Preliminary Surplus/(Deficit)” (2011-2013) (Cells K:12-M:12)</p>		
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	Redacted portions of graph entitled "Actual and Expected RPS Generation vs. Targets" (RPS Target line for 2011-2013)		
Strategies associated with application of flexible compliance tools and earmarking detail	<p>RPS Compliance Report: Accounting tab:</p> <p>"Future Year Deliveries Earmarked from Year +1" (2010-2013) (Cells K:43-N:43)</p> <p>"Future Year Deliveries Earmarked from Year +2" (2010-2013) (Cells K:44-N:44)</p> <p>"Future Year Deliveries Earmarked from Year +3" (2010-2013) (Cell K:45-N:45)</p> <p>"Total Projected Procurement Earmarked to Current Year" (2010-2013) (Cells K:46-N:46)</p> <p>"Current Year Deliveries Earmarked to Year -1" (2010-2013) (Cells K:47-N:47)</p> <p>"Current Year Deliveries Earmarked to Year -2" (2010-2013) (Cells K:48-N:48)</p> <p>"Current Year Deliveries Earmarked to Year -3" (2010-2013) (Cells K:49-N:49)</p> <p>"Total Deliveries Earmarked to Prior Year Earmarked Deficits" (2010-2013) (Cells K:50-N:50)</p> <p>RPS Compliance Report: Earmarking Detail tab:</p> <p>Information regarding forecast of earmarked deliveries for 2010 through 2013 (Cells I:9-</p>	VI.B Utility Bundled Net Open (Long or Short) Position for Energy ¹	Detailed information is required to complete CPUC worksheet.

¹ This information was found to be confidential in the Administrative Law Judge's Ruling Granting San Diego Gas & Electric Company's May 21, 2007 Amendment to April 3, 2007 Motion and May 22, 2007 Amendment to August 1, 2007 Motion, R.06-05-027 (June 28, 2007) and the Administrative Law Judge's Ruling Partially Granting Motions to File Certain Material Under Seal, R.06-05-027 (January 25, 2008).

	I:115; J:9-J:115; K:9-K:115; L:9-L:115)		
Information regarding contracts expiring before 2020	RPS Compliance Report: Procurement Detail tab: Cells B:196-M:196 and W:196 through B:200-M:200 and W:200 Cells B:204-M:204 and W:204 through B:307-M:307 and W:307	IV.B Forecast of Qualifying Facility Information	Detailed information is required to complete CPUC worksheet.
Information regarding projects on SCE's short list	Project Development Status Report: Project Information tab: Cells A:43-AQ:43 through A:45-AQ:45; A:54-AQ:54 through A:55-AQ:55; A:57-AQ:57; A:59-AQ:59 through A:60-AQ:60; A:62-AQ:62; A:73-AQ:73 through A:92-AQ:92; A:99-AQ:99 through A:107-AQ:107 Project Development Status Report: Procedural Information tab: Cells A:45-U:45 through A:47-U:47; A:56-U:56 through A:57-U:57; A:59-U:59; A:61-U:61 through A:62-U:62; A:64-U:64; A:75-U:75 through A:94-U:94; A:101-U:101 through A:109-U:109 Project Development Status Report: Project Transmission Status tab: Cells A:54-X:54 through A:56-X:56; A:70-X:70 through A:71-X:71; A:73-X:73; A:75-X:75 through A:76-X:76; A:78-X:78; A:89-X:89 through A:108-X:108; A:115-X:115 through A:123-X:123 Project Development Status	VIII.A Bid Information VII.H Score sheets, analyses, evaluations of proposed RPS projects	Detailed information is required to complete the CPUC worksheet.

	Report: Project Viability tab: Cells A:62-T:62; A:77-T:77 through A:96-T:96; A:104-T:104 through A:112-T:112; A:114-T:114		
Contract terms and contract evaluation information	Project Development Status Report: Procedural Information tab: Cells F:4-F:110; I:9; J:4-J:9; J:20; K:19; K:29-K:30; L:4-L:6; L:8-L:21; L:23-L:110; M:4-M:6; M:8-M:21; M:23-M:110; N:4-N:6; N:8-N:21; N:23-N:110; P:16-S:16; P:25-S:25 through P:28-S:28; P:32-S:32 through P:34-S:34; P:43-S:43; T:9; T:31-T:43; T:45-T:48; T:50-T:66; T:72-T:110; U:14; U:31; U:48; U:63; U:72-U:73; U:110	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids	Detailed information is required to complete the CPUC worksheet.
Information regarding project viability scores ²	Project Development Status Report: Project Viability Tab: Cells F:28-T:28 through F:114-T:114	VII.H Score sheets, analyses, evaluations of proposed RPS projects VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids	Detailed information is required to complete the CPUC worksheet.
AMFs Calculator information	Updated AMFs Calculator	VII.F/VII.G RPS Contracts VII.H Score sheets, analyses, evaluations of proposed RPS projects	Detailed information is required to complete the CPUC worksheet.

² The Commission concluded that project-specific project viability information should remain confidential in D.09-06-018.

		VIII.B Specific quantitative analysis involved in the scoring and evaluation of participating bids	
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3. SCE is complying with the limitations on confidentiality specified in the Matrix that pertain to the data listed in the table above.

4. I am informed and believe and thereon allege that the data in the table above cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information.

5. I am informed and believe and thereon allege that the data in the table in paragraph 2 above has never been made publicly available.

6. Additionally, SCE is seeking confidential treatment of certain data that is market-sensitive, but may not fall into a category on the Matrix.

RPS Compliance Report: Procurement Detail Tab

7. In the RPS Compliance Report: Procurement Detail tab, the columns seeking information regarding contracts expiring before 2020 contain confidential, market-sensitive information (Cells B:196-M:196 and W:196 through B:200-M:200 and W:200 and B:204-M:204 and W:204 through B:307-M:307 and W:307). For the reasons discussed below, this information is confidential and market-sensitive and should not be disclosed to the public.

8. Information identified in paragraph 7 is protected under Public Utilities Code Section 454.5(g) and General Order 66-C.

9. Public Utilities Code Section 454.5(g) requires the Commission to maintain the confidentiality of "market sensitive information." It provides: "The commission shall adopt appropriate procedures to ensure the confidentiality of any market sensitive information submitted in an electrical corporation's proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination, provided that the Office of Ratepayer Advocates and other consumer groups that are nonmarket participants shall be provided access to this information under confidentiality procedures authorized by the commission."

10. General Order 66-C requires the Commission to protect confidential information that would place a utility at an “unfair business disadvantage” if it were publicly disclosed. It categorizes as information that is “not open to public inspection,” those “[r]eports, records, and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage.” General Order 66-C, § 2.2(b).

11. The information identified in paragraph 7 is considered market sensitive and would place SCE at an unfair business disadvantage if disclosed because the disclosure of information regarding SCE’s expiring contracts would allow market participants to selectively target viable contracts with which SCE has a history of business dealings. Accordingly, public disclosure of this information would create a competitive disadvantage for SCE in its procurement efforts on behalf of its customers.

12. I am informed and believe and thereon allege that the information identified in paragraph 7 cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information, because detailed information is required to complete the CPUC worksheet.

13. I am informed and believe and thereon allege that the information identified in paragraph 7 has never been made publicly available.

RPS Compliance Report: Procurement Detail Tab and Project Development Status Report: Project Information, Procedural Information, and Project Viability Tabs

14. In the RPS Compliance Report: Procurement Detail tab, the “Facility Status” column (Column V) contains confidential, market-sensitive information as applicable. Similarly, in the Project Development Status Report: Project Information, Procedural Information, and Project Viability tabs, the “Project Status” columns (Columns I, D, and E, respectively) also contain confidential, market-sensitive information as applicable. Specifically, these columns requires SCE to indicate the status of the categories identified above (e.g., “on schedule” or “delayed”) for RPS contracts that are not currently on-line or terminated. In addition, the Project Information tab requires SCE to explain the reasons for any delay or termination. For example, if a developer was having difficulty getting financing, the worksheet requires an explanation. For the reasons discussed below, this information is confidential and market-sensitive and should not be disclosed to the public. In particular, in the Project Development Status Report: Project Information tab, the following columns also contain confidential, market-sensitive information as

applicable: "If applicable, describe reasons for delay or termination" (Column J), "Latitude" (Column O), "Longitude" (Column P), "CREZ" (Column Q), "BLM application serial number (if applicable)" (Column S), "Financing Status" (Column U), "Is the EPC contract executed?" (Column V), "Has the owner's engineer been hired?" (Column V), "Is the O&M Contract Signed? Self-perform?" (Column X), "Is the water supply agreement signed (if applicable)?" (Column Y), "Has an order been placed for any major equipment? Refer to 'Menus' for tech-specific equipment" (Column Z), "Other technology-specific milestones. Refer to 'Menus' for tech-specific milestones" (Column AA), "EIR Agency/Permit Type" (Column AB), "Permit Status" (Column AC), "Currently planned permitting completion date" (Column AD), "Description of major permitting issues" (Column AE), "Guaranteed Construction Start date" (Column AF), "Expected Construction Start date" (Column AG), "Construction Status" (Column AH), "Describe phases" (Column AP), and "Project Information Notes" (Column AQ).

15. The information identified in paragraph 14 is confidential because it relates to the terms and conditions of the individual contracts entered into between SCE and the respective generators. Contractual information is protected under the matrix under "Section VII. Bilateral Contract Terms and Conditions – electric (G) Renewable Resource Contracts under RPS program – Contracts without SEPs." More specifically, Section VII.G provides that contract information shall be confidential for three years after first delivery. Because the contracts that are the subject of this declaration have not been delivering for three years, the information is protected. In addition, and in accordance with the level of protection afforded under the Matrix, SCE has not redacted the individual contract summaries, which include counterparty name, resource type, location, capacity, expected deliveries, delivery point, length of contract, and on-line date.

16. Information identified in paragraph 14 is also protected under Public Utilities Code Section 454.5(g) and General Order 66-C.

17. Public Utilities Code Section 454.5(g) requires the Commission to maintain the confidentiality of "market sensitive information." It provides: "The commission shall adopt appropriate procedures to ensure the confidentiality of any market sensitive information submitted in an electrical corporation's proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination, provided

that the Office of Ratepayer Advocates and other consumer groups that are nonmarket participants shall be provided access to this information under confidentiality procedures authorized by the commission.”

18. General Order 66-C requires the Commission to protect confidential information that would place a utility at an “unfair business disadvantage” if it were publicly disclosed. It categorizes as information that is “not open to public inspection,” those “[r]eports, records, and information requested or required by the Commission which, if revealed, would place the regulated company at an unfair business disadvantage.” General Order 66-C, § 2.2(b).

19. The information identified in paragraph 14 is considered market sensitive and would place SCE at an unfair business disadvantage for several reasons.

20. Public disclosure of SCE’s judgment that a particular project is failing to meet milestones or otherwise struggling may impair the project developer’s ability to secure financing, attract investors, or raise capital. Obviously, a project’s failure to gain funding of any type could result in the project failing. The Commission should be as concerned about the effect on the project developer of releasing SCE’s assessment of the projects overall viability as it is on SCE and its customers. Disclosure of this type of information in the hope of providing greater public access to RPS data may actually have the opposite of the presumably desired effect by causing or contributing to project failure.

21. SCE maintains the confidentiality of this information not only from the public at large, but from its counterparties as well. If this information were to be released and result in the failure of a contract based on an inability to acquire financing because of publicly released negative information from SCE, then SCE could be exposed to potential litigation from developers for the release of such information.

22. SCE could be damaged by the long-term effect of the loss of trust between SCE and prospective renewable generators that would be engendered by such a disclosure. This “loss of trust” would create a competitive disadvantage for SCE in its procurement efforts on behalf of its customers.

23. Disclosure of the status of an RPS project would hinder SCE’s contract administration of all of its yet to be completed RPS projects. By revealing that certain milestones have not been reached or revealing that delays have occurred, a “floor” is created as to what SCE is willing to allow a future developer to do during the development of a project.

This “floor” will disadvantage SCE in the development of RPS projects by allowing such parties to exploit concessions that SCE provided under unique circumstances even though such concessions would not be appropriate in a different context or under different facts. Simply stated, publicly revealing this information may impair SCE’s ability to actively manage milestones and administer contracts for projects in development, a result that would appear to be directly contrary to the desire of policy makers to bring as much renewable power on-line as soon as possible.

24. I am informed and believe and thereon allege that the information identified in paragraph 14 cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information, because detailed information is required to complete the CPUC worksheet.

25. I am informed and believe and thereon allege that the information identified in paragraph 14 has never been made publicly available.

Project Development Status Report: Project Transmission Status and Project Information Tabs

26. In the Project Development Status Report: Project Transmission Status tab, the following columns contain confidential transmission information as applicable: “Queue Position” (Column E), “Feasibility Study” (Column F), “System Impact Study/Phase I Study” (Column G), “Facility Study/Phase II Study” (Column H), “Preferred Point of Interconnection” (Column I), “Early Interconnection Needed/Possible? If yes, describe” (Column J), “Status of Interconnection Agreement” (Column K), “Expected execution date of Interconnection Agreement” (Column L), “Status of planning for interconnection facilities and related upgrades” (Column M), “Describe any transmission planning process issues” (Column N), “Upgrade name, if applicable, and location” (Column O), “Network upgrade type” (Column P), “Length” (Column Q), “Voltage” (Column R), “If CPUC application required but not filed, provide explanation and expected filing date” (Column V), “Estimated completion date for upgrades” (Column W), and “Transmission Notes” (Column X). Additionally, in the Project Development Status Report: Project Information tab, the following column contain confidential transmission information as applicable: “Actual or Expected Start-up Deadline” (Column AJ).

27. This information is protected under Federal Energy Regulatory Commission (“FERC”) Order No. 2003 which governs the treatment of confidential information related to

generator interconnections. The pro forma Large Generator Interconnection Procedures (“LGIP”) promulgated by FERC in Order No. 2003, and its progeny, states: “Confidential Information shall include, without limitation, all information relating to a Party’s technology research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an [Large Generator Interconnection Agreement (“LGIA”)].” 104 FERC ¶ 61,103, Standard LGIP at Section 13.1 (*emphasis added*). Section 13.1.2 of the pro forma LGIP also provides that neither party may release or disclose such confidential information to any other person except for certain narrowly defined affiliates and consultants. *See id.* at Section 13.1.2.

28. The information identified in paragraph 19 is transmission information which is used to perform interconnection studies for specific generators that has not yet been made public through the filing of an LGIA or a posting on SCE’s or the California Independent System Operator’s (“CAISO”) website, as applicable. (SCE’s Wholesale Distribution Access Tariff (“WDAT”) LGIP and CAISO’s LGIP, Section 3.6, both provide for the release of information related to interconnection studies in situations that are identical to FERC Order No. 2003.) Based on the authority listed above this information has been deemed confidential and should not be publicly released. *See e.g., Southern California Edison Co. v. California Public Utilities Comm’n*, 121 Cal. App. 4th 1303 (2004) (California Court of Appeals finding that FERC Order No. 2003 preempted Pub. Util. Code Section 399.25 regarding payment of upfront transmission costs).

29. In addition, in accordance with FERC Order No. 2003, SCE has consistently maintained the confidentiality of information supplied to it by generators pursuant to an interconnection request that has not already been made public. This information, which includes information about the generator’s position in the queue and its point of interconnection, is confidential market sensitive information to generators seeking interconnection because it forms the basis upon which generators make competitive business decisions.

30. Furthermore, it should be noted that the disclosure of such information could potentially damage SCE and its ratepayers. First, under Section 13.1.7 of the FERC pro forma LGIP, SCE could be liable for damages suffered by a generator in connection with the improper release of confidential information by SCE. *See* 104 FERC ¶ 61,103, LGIP at Section 13.1.7. Second, and more importantly, SCE could be damaged by the long-term effect of the loss of trust

between SCE and prospective interconnecting generators that would be engendered by such a disclosure. This would create a competitive disadvantage for SCE in its procurement efforts on behalf of its customers.


31. I am informed and believe and thereon allege that the information identified in paragraph 26 cannot be aggregated, redacted, summarized, masked or otherwise protected in a manner that would allow partial disclosure of the data while still protecting confidential information, because detailed information is required to complete the CPUC worksheet.

32. Although portions of the items listed in paragraph 26 may have been previously disclosed publicly, for example, on the CAISO website, the information is presented without identifying information such as the project name, which could be used to cross reference to non-public information in the remainder of paragraph 26. Therefore, I am informed and believe and thereon allege that the information identified in paragraph 26 has never been made publicly available.

33. The Commission has already found that the majority of the information listed above for which SCE is seeking confidential treatment is entitled to such confidential treatment in the Administrative Law Judge's Ruling on Southern California Edison Company's Motions to File Data Under Seal, issued on April 30, 2007 in R.06-05-027, the Administrative Law Judge's Ruling Granting Southern California Edison Company's May 22, 2007 Motion for Reconsideration and May 22, 2007 Supplemental Motion for Confidentiality, issued on June 28, 2007 in R.06-05-027, the Administrative Law Judge's Ruling Granting San Diego Gas & Electric Company's May 21, 2007 Amendment to April 3, 2007 Motion and May 22, 2007 Amendment to August 1, 2007 Motion, issued on June 28, 2007 in R.06-05-027, the Administrative Law Judge's Ruling Partially Granting Motions to File Certain Material Under Seal, issued on January 25, 2008 in R.06-05-027, and the Administrative Law Judge's Ruling Regarding Motions to File Portions of 2009 Renewables Portfolio Standard Procurement Plans Under Seal, issued on September 24, 2009 in R.08-08-009. In D.08-04-023, the Commission held that load-serving entities who seek and receive confidential treatment for regular compliance filings may simply cite the prior ruling or motion when making subsequent compliance filings of the same type.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 1, 2010 at Rosemead, California.



Gary L. Allen

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of **SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) MARCH 2010 COMPLIANCE REPORT PURSUANT TO THE CALIFORNIA RENEWABLES PORTFOLIO STANDARD** on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.

Executed this **1st day of March, 2010**, at Rosemead, California.

/s/Melissa Schary

Melissa Schary

Project Analyst

SOUTHERN CALIFORNIA EDISON COMPANY

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