

Application No: R.10-05-006
Exhibit No.: _____
Witness: Vincent D. Bartolomucci

Order Instituting Rulemaking to Integrate and
Refine Procurement Policies and Consider
Long-Term Procurement Plans.

Rulemaking 10-05-006
(Filed May 6, 2010)

**PREPARED DIRECT TESTIMONY
OF VINCENT D. BARTOLOMUCCI
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY**

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

March 25, 2011



TABLE OF CONTENTS

I. INTRODUCTION 1

II. OVERVIEW 1

III. DISCUSSION OF CHANGES - 2012 LTPP 3

IV. WITNESS QUALIFICATIONS 6

ATTACHMENT 1

ATTACHMENT 2

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**PREPARED DIRECT TESTIMONY OF
VINCENT D. BARTOLOMUCCI
ON BEHALF OF SDG&E**

I. INTRODUCTION

The purpose of my testimony is to sponsor Section I, Section II and certain Appendices of the draft 2012 Long-Term Procurement Plan (“2012 LTPP”) of San Diego Gas & Electric (“SDG&E”) submitted in Track II of Rulemaking (“R.”) 10-05-006.

SDG&E has updated its currently-effective LTPP in accordance with the direction provided by the Commission in the *Assigned Commissioner’s and Administrative Law Judge’s Scoping Memo for Track II Bundled Procurement Plans*, issued January 13, 2011 in the above-captioned proceeding.

II. OVERVIEW

The purpose of my testimony is to support the revisions and updates to Section I (Introduction); Sections II.A.1, 2, 3 and 4; and Appendices C, D and E of SDG&E’s 2012 LTPP. A list of the sections that I am sponsoring, as well as a short summary of revisions and a comparison of the revisions against SDG&E’s 2006 LTPP, are contained in Table VDB-1, set forth in Attachment 1. In addition, Attachment 2 provides a road map of the changes to the organization, structure and numbering from the 2006 LTPP to the 2012 LTPP.

SDG&E’s LTPP has been reorganized to improve the flow of topics being discussed and, where applicable, to combine various discussions that appeared throughout the 2006 LTPP into single sections, or to reflect them in Appendices, in order to improve the overall flow and readability of the LTPP. While the 2012 LTPP does not reflect changes in overall policy, certain sections in the 2012 LTPP have been revised from the 2006 LTPP version in order to reflect new product additions and changes that have occurred in the electric and gas markets since SDG&E last filed its compliance updates in response to D.07-12-052.

1 Although, as noted above, the 2012 LTPP does not reflect changes in overall policy, the
2 2012 LTPP includes several major revisions to the 2006 LTPP. The most significant revision is
3 to Section II.A.2.c (Dispatch), which has been updated to reflect the changes to overall day-to-
4 day dispatch and scheduling functions resulting from implementation by the California
5 Independent System Operators (“CAISO”) of a new market structure, the Market Redesign
6 Technology Update (“MRTU” or the “Market”). In addition, a number of new products have
7 been added to the products listed in the 2006 LTPP. These products are primary related to the
8 CAISO’s continuing implementation of improvements to the overall market structure and
9 include Standard Capacity Product, Convergence Bidding, Multi-Stage Generation (“MSG”) and
10 Proxy Demand Response (“PDR”). The product list has also been updated to include a
11 placeholder for Green House Gas (“GHG”) compliance. Appendix F has been added as a
12 placeholder for discussion of SDG&E’s GHG compliance plan. GHG is scheduled to be
13 addressed as part of Track I of this proceeding. Thus, the 2012 LTPP will be amended at some
14 point in the future to include a GHG compliance plan, consistent with the direction provided the
15 Commission.

16 The discussion of certain products set forth in the 2012 LTPP – for example, Congestion
17 Revenue Rights (“CRRs”) and Resource Adequacy (“RA”) – has been either updated or
18 expanded to include a discussion of SDG&E’s strategy for managing these products. Likewise,
19 the discussion of gas procurement-related strategies has also been updated and consolidated, and
20 is set forth in Appendix C. Finally, SDG&E has attempted to conform its LTPP to the format
21 utilized by the other investor-owned utilities (“IOUs”), and accordingly, has made changes to the
22 order and structure of topics addressed in its LTPP. For example, SDG&E has endeavored to
23 shorten and/or consolidate, where possible, the overall length of certain discussions within the
24 LTPP in order to make the LTPP easier to read and comprehend. As a result, SDG&E has,

1 where appropriate, eliminated certain sections of its LTPP which contain discussions that are no
2 longer relevant, are duplicative or do not add any substantive information relative to SDG&E's
3 procurement strategies.

4 **III. DISCUSSION OF CHANGES - 2012 LTPP**

5 **1. MRTU/New Market:** The most significant change to the 2012 LTPP is the
6 discussion of the new Market and how the CAISO's implementation of the new Market has
7 impacted the scheduling, dispatch and trading functions of SDG&E.

8 The CAISO went live with the new Market on April 1, 2009. The new Market structure
9 impacted SDG&E's least-cost dispatch process in numerous ways, both day-ahead and real-time.
10 Prior to implementation of the new Market, SDG&E was responsible for managing its overall
11 portfolio and matching its schedules for demand or load with supply side resources on a daily
12 and hour-by-hour basis. SDG&E managed least-cost dispatch through a dispatch combination of
13 its most economic supply resources and by procuring short-term supply side products in the
14 market that were more economical than SDG&E's portfolio resources. By doing so, SDG&E
15 was able to meet the bundled SDG&E demand on a day-ahead and hourly demand basis in the
16 most economic manner. The new Market removed those responsibilities from SDG&E. Now
17 the CAISO, rather than SDG&E, is responsible for the overall management of supply and
18 demand through its implementation of the Integrated Forward Market ("IFM"). Section II.A.2.c
19 of the 2012 LTPP describes in detail the new process SDG&E follows to achieve least-cost
20 dispatch in the new Market structure.

21 The new Market has also impacted the volumes procured by SDG&E and the way in
22 which it procures short-term products. In addition, the new Market has had minor impacts on
23 SDG&E's procurement of natural gas to supply its portfolio resources. Changes to SDG&E's

1 short-term procurement are discussed in Section II.A.2 of the 2012 LTPP and impacts to natural
2 gas procurement are detailed in Appendix B.

3 **2. New and Revised Products:** Since implementation of the new Market, the CAISO
4 has implemented a number of new products and policies as part of its overall goal of improving
5 market design and function. Section II.A.3 of the 2012 LTPP has been updated to reflect these
6 new products. A description of the new products is also included in Section II.A.4 of the 2012
7 LTPP. In addition, discussion of the strategies used by SDG&E to manage CRRs and
8 Convergence Bidding are contained in Appendix D and Appendix E, respectively. Each of these
9 products provides SDG&E with additional tools to better manage risk in the CAISO market and
10 to manage overall costs for ratepayers. In particular, CRRs allow SDG&E to hedge exposure to
11 congestion at various nodes and paths on the CAISO system where SDG&E has resources.
12 Convergence Bidding, which was approved by the Commission in late 2010 and implemented by
13 the CAISO on February 1, 2011, enhances SDG&E's ability to manage price volatility between
14 the Day-Ahead and Real-Time markets for certain resources and situations, as detailed in Section
15 II.A.4 and Appendix C.

16 As noted above, PDR is another new CAISO product. It allows SDG&E to bid and
17 schedule demand response resources into the IFM. PDR is currently being phased into the
18 Market by the CAISO through use of pilot programs and will be expanded in the next few years.
19 Bidding demand response into the IFM provides the CAISO with the ability to better manage
20 demand response and integrate these resources into the CAISO's dispatch decisions. Finally,
21 CAISO's MSG product allows SDG&E to more accurately model and bid its supply side
22 resources that have multiple configurations, such as combined cycle generation plants or other
23 plants with differing generating characteristics among their units.

1 **3. Updates to natural gas procurement strategies:** Since the last revision to
2 SDG&E’s approved 2006 LTPP, SDG&E has added a number of new contracts to its portfolio
3 and updated certain of its practices related to fuel procurement. While there are no major
4 changes to the overall practices and policies related to natural gas procurement, SDG&E has
5 made a number of changes to the 2012 LTPP’s overall structure and content. In the 2012 LTPP,
6 SDG&E has consolidated the discussion of Fuel Procurement strategies for both the SDG&E
7 controlled resources and CDWR allocated resources in Appendix C and has eliminated
8 duplicative discussion, where appropriate.

9 The 2012 LTPP also contains an updated discussion on natural gas storage and
10 transportation services and of how SDG&E uses the relevant products and services as part of its
11 overall procurement strategies. Notably, while SDG&E’s overall strategies have not changed,
12 the 2012 LTPP contains an updated discussion on short-term storage to reflect how SDG&E
13 evaluates and procures short-term (up to one year) storage products as part of its overall
14 procurement strategies. It also contains an updated discussion on the evaluation of short-term
15 (monthly, seasonal or annual) transportation options outside of the Southern California Gas
16 Company (“SoCalGas”) system. SDG&E has not modified its overall strategy or outlook with
17 respect to the procurement of long-term multi-year storage or transportation services in this 2012
18 LTPP.

1 **IV. WITNESS QUALIFICATIONS**

2 My name is Vincent D. Bartolomucci. My business address is 8315 Century Park Court,
3 San Diego, CA 92123. I am employed by San Diego Gas & Electric Company. My current title
4 is Manager of Energy Supply & Dispatch in the Electric & Fuel Procurement Department of
5 SDG&E. My responsibilities include overseeing a staff that performs energy procurement and
6 policy functions such as day-ahead electric and fuel trading, real-time transaction scheduling,
7 short-term wholesale market transactions, California Independent System Operator (CAISO)
8 policy and interface, analysis and optimization of day-ahead and real-time energy, and fuel
9 procurement strategies. The primary purpose of Energy Supply & Dispatch is to optimize the
10 SDG&E portfolio of supply assets for the benefit of retail electric customers. Energy Supply &
11 Dispatch also handles the operational dispatch of SDG&E's CDWR allocated contracts.

12 I have held a number of positions with increasing levels of responsibility, which have
13 included negotiating and administrating long-term renewable resources, as well as managing and
14 administrating existing contracts such as renewable contracts, QF contracts, allocated CDWR
15 contracts, bi-lateral contracts and San Onofre Nuclear Generating Station (SONGS) operating
16 agreements. I have also held positions at SDG&E in the Systems Protection Department, Power
17 Contracts Department, Customer Energy Contracts Section, Regulatory Affairs Department and
18 Fuel and Power Supply Department.

19 I have previously testified before both the CPUC and CEC.

20 I received a Bachelor's degree in Electrical Engineering (BEE) from Manhattan College.
21 I have taken numerous courses in Business Management. I am a member of IEEE.

22 This concludes my prepared direct testimony.

ATTACHMENT 1

Table VDB-1

Section	Section Heading	Description
<p>Section I. Introduction:</p>		<ul style="list-style-type: none"> • General updates to include recent CPUC decisions and changes in law. • Minor changes to remove outdated data from 2008 and earlier, and updates to incorporate most recent decisions from CPUC affecting procurement and changes to the law since last LTPP.
<p>Section II. Procurement Implementation Plan:</p>		
<p>A. SDG&E Procurement Process</p>	<p>1. SDG&E Procurement Organizational Structure</p> <p>2. Overview of SDG&E Procurement Process</p> <p style="padding-left: 20px;">c. Dispatch Process</p> <p style="padding-left: 40px;">i. Impacts of Revised Market Overview on SDG&E Short- Term Procurement Activities</p> <p style="padding-left: 40px;">ii. The Market Transaction Process Flow</p>	<ul style="list-style-type: none"> • Modified overall structure of this Section to organize and arrange discussions more consistent with the plans of the other IOUs. • Added new Section titled “SDG&E Procurement Organizational Structure” and included a new chart of SDG&E’s Energy Procurement Organization as Appendix K. • Added new Section titled “Overview of SDG&E Procurement Process” and added new sub-section titled “Dispatch Process” that separately discusses day-to-day dispatch, short-term procurement and scheduling functions. • Moved discussions related to dispatch functions from Section II.A to new Section II.A 2.c and modified the overall discussion of SDG&E’s Dispatch Process to reflect changes to SDG&E’s procurement practices, new software systems installations and certain outdated systems eliminations resulting from the CAISO’s implementation of its new market structure.

Section	Section Heading	Description
	<p data-bbox="418 1171 834 1241">3. Description of Procurement Products</p> <p data-bbox="418 1724 834 1793">4. Overview of Energy Market Products</p>	<ul data-bbox="979 264 1588 1852" style="list-style-type: none"> <li data-bbox="979 264 1588 548">• Added new section title “Impacts of Revised Market Overview on SDG&E Short-Term Procurement Activities” to update current operating practices and to reflect the new CAISO market structure’s impacts on SDG&E’s daily market activities. <li data-bbox="979 558 1588 842">• Revised the section titled “The Market Transaction Process Flow” that describes the changes in SDG&E’s overall day-ahead and real-time operations, scheduling and trading functions, fuel procurement practices to reflect changes necessitated by the new CAISO market structure. <li data-bbox="979 852 1588 1514">• Section titled “Description of Proposed Procurement Products for Electric and Gas Procurement” has been split into two parts, with the table listing SDG&E’s Procurement Products relabeled as new Section 3. The list and description of products has been updated to reflect changes made since the previously filed LTPP. New products have been included to the SDG&E list of products (including Inter-scheduling Coordinator Trades (ISTs), Congestion Revenue Rights (CRRs), Convergence Bidding, Green House Gas (GHG), TRECs and other products); The table has also been divided into Electric, Gas and Credit Products. <li data-bbox="979 1524 1588 1852">• Section titled “Description of Proposed Procurement Products for Electric and Gas Procurement” has been split into two parts, with the table listing SDG&E’s Procurement Products relabeled as new Section 3. The list and description of products has been updated to reflect changes since the previously filed LTPP

Section	Section Heading	Description
		<p>and new products have been included to the SDG&E list of products (including Inter-scheduling Coordinator Trades (ISTs), Congestion Revenue Rights (CRRs), Convergence Bidding, Green House Gas (GHG), TREC's and other products), The table has also been divided into Electric, Gas and Credit Products</p> <ul style="list-style-type: none"> • The portion of "Description of Proposed Procurement Products for Electric and Gas Procurement" describing various Energy Market Products was moved to Section 4 and revised and updated to delete discussion of FTR and Must Offer Energy. Discussions were added regarding of Residual Unit Commitment, Convergence Bidding, Multi-Stage Generation, Proxy Demand Response, RA Import Counting Rights, RPS Procurement, Standard Capacity Products and Tradable Renewable Energy Credits, FIT Tariffs. Revised discussion of various other products, including Resource Adequacy Products and Rules, to reflect changes since the last LTPP filing; also added new topics to discuss DBE procurement, and added a placeholder for GHG products (to be updated upon CPUC's decision regarding GHG implementation) <ul style="list-style-type: none"> • Generally updated to delete outdated sections and improve readability. Deleted sections that no longer apply or do not add value to discussion of SDG&E's procurement strategies and plan, updated various sections for clarity and to enhance the overall readability of the Section.

Section	Section Heading	Description
Appendix C: Gas Supply Plan	A. Fuel Supply Procurement B. Natural Gas Procurement Strategies and Products 1. Products C. Strategy by Facility D. CDWR Gas Supply Plan 1. Gas Supply Plans 2. Strategy by Facility 3. Interaction between CDWR and UEG Portfolios E. Storage and Transportation 1. Gas Pipeline Capacity 2. Gas Storage Capacity	<ul style="list-style-type: none"> • Moved discussion of Fuel Supply Procurement Strategy from Section II.C to new Appendix C. • Consolidated discussions of procurement strategies to reflect that SDG&E procures fuel on a single portfolio basis and thus, eliminated discussion of strategies on a unit-by-unit basis and arranged discussion between SDG&E owned and controlled units and CDWR allocated facilities. • Added new section describing Qualifying Facility impact on SDG&E portfolio and hedging strategies associated with QF contracts that use natural gas fuel. • Consolidated discussion of SDG&E's procurement strategies for its allocated CDWR contracts and interaction between SDG&E and CDWR on management of these resources into new Appendix C. • Update SDG&E's natural gas procurement, storage, transportation and pipeline capacity strategies for UEG and CDWR allocated contracts. • Consolidated discussion of Transportation and Storage strategies into this Appendix. • Deleted and revised various sections to improve flow and readability of the Section.
Appendix D Congestion Revenue Rights	Congestion Revenue Rights	<ul style="list-style-type: none"> • Added new Appendix D and new discussion of SDG&E strategy for managing CRRs.
Appendix E	Convergence Bidding	<ul style="list-style-type: none"> • Added new Appendix E to discuss SDG&E's strategy related to implementation of Convergence Bidding.

Section	Section Heading	Description
Appendix F Green House Gas/AB32 Compliance Plan	Green House Gas/AB32 Compliance Plan	<ul style="list-style-type: none"> Added Placeholder Appendix F for inclusion of the details of SDG&E's GHG compliance plan. This new appendix will be updated once the Commission reviews and approves SDG&E compliance plan that will be filed separately in the LTPP proceeding.
Appendix I	Glossary	<ul style="list-style-type: none"> Moved Glossary of Terms to Appendix I
Appendix J List of Acronyms	List of Acronyms	<ul style="list-style-type: none"> Added new Appendix J of SDG&E acronyms.
Appendix K	Energy Procurement Organization	<ul style="list-style-type: none"> Added new organization structure diagram

ATTACHMENT 2

MAP OF CHANGES FROM 2006 TO 2012 LTPP

Legend: Section references from the 2006 LTPP are provided in the left column with changes to location or deletion from the 2012 LTPP shown in right column. Note revisions to the section headings from 2006 to 2012, are shown in redline. Descriptions of changes/updates are found in a table included in each witness' testimony.

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
I. Introduction (p.2)	Same location and title
II. Procurement Implementation Plan (p.3)	Same location and title
A. <u>SDG&E</u> Procurement Processes (p.3) Description of the Procurement Process from Planning Through Transaction, Execution, and Dispatch (p.3) The <u>Market</u> Transaction Process Flow	Same location and title First portion of discussion moved to Section II.A.2.a. Remaining discussion moved to Section II.A.2.c. Moved to Section II.A.2.c. Removed restatement of Commission decision language related to Standards of Conduct.
Description of the Proposed Procurement Products for Electric and <u>Fuel</u> Gas Procurement (p.10) Reliability-Must-Run Energy (p.13A) Must-Offer Energy (p14) <u>Spot Markets/ Spot Energy</u> (14) <u>Forward Products</u> (p.15) <u>Tolling</u> (p.15)	Table 1 moved to Section II.A.3. Description of market products moved to Section II.A.4. Deleted Deleted Re-titled and moved to Section II.A.4 Moved to Section II.A.4 Moved to Section II.A.4

¹ Page numbers will be different in the 2012 LTPP due to all the other changes, but location is the same in terms of the order presented in the 2006 LTPP.

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
Indexed Energy (p.15)	Moved to Section II.A.4
Heat Rate Call Options (p.16)	Moved to Section II.A.4
Firm Transmission Rights-(FTRs) (p.16)	Deleted
Congestion Revenue Rights (CRRs) (p.16)	Moved to Section II.A.4
FTR/CRR Locational Swaps (p.17)	Deleted
CRR and Non-FTR/CRR Locational Swaps (p.18)	Moved to Section II.A.4
Third-Party Transmission Capacity (p.18)	Moved to Section II.A.4
Ancillary Services (p.19)	Moved to Section II.A.4
Inter-Utility Exchanges (IUEs) (p.20)	Moved to Section II.A.4
Counterparty Sleeves (p.20)	Moved to Section II.A.4
Resource Adequacy Products (p.21)	Moved to Section II.A.4
Emission Reduction Credits (p.22)	Moved to Section II.A.4
SO2 Allowances (p.22)	Moved to Section II.A.4
RA Import Counting Rights (p.22)	Moved to Section II.A.4
Contract Duration Pre-Approval Limits (p.23)	Moved to Section II.A.5.a
Description of Proposed Market and or Selection Process for Each Procurement Related Product (p.24)	Moved to Section II.A.5.a
Bilateral Contracts (p.24)	Moved to Section II.A.4
Exchanges (p.26)	Moved to Section II.A.4
Spot Markets (p.27)	Moved to Section II.A.4
Competitive Bid Solicitations (Request for Offers (p.29)	Divided between short-medium and long term RFO process and moved to Section II.A.5.a and II.A.5.b
Utility Owned Generation (UOG) and Participation in Competitive Solicitations (p.35)	Moved to Section II.A.5.b
Code of Conduct (p.36)	Moved to Appendix H

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
Utility Ownership Proposals Outside of a Competitive Solicitation (p.37)	Moved to Section II.A.5.b
Other Markets and Processes (p.38)	Portion of discussion related to short-term procurement moved to Section II.A.4 and Section II.A.5.a
Procurement Positions (p.39)	Moved to Section II.A.5.b
Description-Application of Least-Cost Best Fit Analysis (p.39)	Moved to Section II.A.5.b
Description of the Use of the Loading Order in Procurement (p.41)	Moved to Section V.
Current/Upcoming RFOs (p.42)	Moved to Section II.A.5.b
Requests for Bids/Offers for Local and System RA (p43)	Moved to Section II.A.5.b
Price Forecasting (p.43)	Moved to Section II.A.5.b
Description of "Ratable-Rates" (p.44)	Deleted
Description of SDG&E's Consultation Process With its Independent Review Groups (p.45)	Moved to Appendix H
The Independent Evaluator Requirement (p.45)	Moved to Appendix H
SDG&E use of the PRG Process and Consultation with PRG (p.49)	Moved to Section II.A.5.b
CAM PRG (p.51)	Moved to Section II.A.5.b
Objective (p.51)	Moved to Section II.A.5.b
Rationale for Separate Advisory Group (51)	Moved to Section II.A.5.b
When Use of the Separate Advisory is Required (p.52)	Moved to Section II.A.5.b
Triggering the Separate Advisory Group (p.52)	Moved to Section II.A.5.b
Activities of the Separate Advisory Group (p.52)	Moved to Section II.A.5.b
Access to Information (p.53)	Moved to Section II.A.5.b
Meetings of Separate Advisory Group (p.53)	Moved to Section II.A.5.b
Requirements of CAM Group Members (p.53)	Moved to Section II.A.5.b
Description of Barriers-to-Contracting- (p.55)	Deleted
B. Risk Management Policy and Strategy (p.55)	Same location and title

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
Current Risk Management Practices – SDG&E’s Hedge Plan, including Hedging Targets (p.55)	Hedging Targets moved to Appendix B. New section number added - II.B.1
5 Year Short-term Procurement Plan and Hedging Strategy (p.56)	Moved to Appendix B
Overview (p.56)	Deleted
First Rolling 12 Months and Year 1 (p.57)	Moved to Appendix B
Year 2 (p.60)	Moved to Appendix B
Intermediate Term – For Years 3 through 5 of the Rolling 5 Year Plan (p.61)	Moved to Appendix B
Long Term (Years 6 Through 10) (65)	Moved to Appendix B
Portfolio Risk Assessment – A Discussion of Forecast SDG&E Risk Positions, Risk Management Products and Selection Criteria	New section number added - II.B.2
Risk Management Products (p.70)	New section number added - II.B.5
Electricity Exposure (p.71)	New section number added - II.B.5.a
Bilateral Structured Contracts (p.71)	Deleted
Fixed-price Forward Trades for Power (p.71)	New section number added - II.B.5.b
Exchange of Risk Exposure (p.72)	New section number added - II.B.5.c
Felling Capacity Purchase (p.72)	Deleted
NYMEX Gas Futures, Options and Gas Basis Swaps (p.72)	New section number added - II.B.5.d
Gas Price Exposure (p.73)	New section number added - II.B.5.e
Risk Management Products Selection Considerations (p.74)	New section number added - II.B.6
Security Requirements (Collateral and Credit) (p.80)	Moved to Appendix B
Collateral and Credit-Related Responsibilities	Deleted
Collateral Requirements (p.81)	Moved to Appendix B
Daily Margin (p.82)	Deleted
Initial Margin (p.83)	Deleted

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
Liquidity Requirements (p.83)	Moved to Appendix B
Products that Contribute to the Need for Collateral (p.84)	Moved to Appendix B
Exchange Cleared Products (p.85)	Moved to Appendix B
ICE Traded Products (p.85)	Moved to Appendix B
Other OTC "Liquidity Demanding" Products (p.85)	Moved to Appendix B
Size-of-Requirements-for-Liquidity-Associated-with-Plan (p.86)	Deleted
SDG&E's Established Liquidity Limit (p.87)	Moved to Appendix B
Operation-of-the-Liquidity-Limit (p.88)	Deleted
Products that Do Not Contribute to the Need for Collateral (89)	Moved to Appendix B
Credit Requirements (p.92)	Combined with Recovery of Credit Related Costs and new section number added - II.B.7
Recovery of Credit-Related Costs (p.93)	Combined with Credit Requirements (Section II.B.7)
Calculation of Unsecured Credit Lines (p.93)	Moved to Appendix B
Contractual Credit Provisions (p.94)	Moved to Appendix B
Measurement (p.99)	Combined with Credit Requirements (Section II.B.7)
Credit Risk Monitoring and Mitigation Strategy (p.101)	Combined with Credit Requirements (Section II.B.7)
Customer Risk Tolerance and VaR-to-Expiration (p.103)	Moved to new section number II.B.3
VaR-to-Expiration (VtE) (p.104)	Moved to new section number II.B.4
VtE Methodology (p.104)	Deleted
C. Fuel Supply Procurement Strategy (p.107)	Moved to Appendix C
SDG&E-Owned Generation Units (p.108)	Moved to Appendix C
SDG&E-Controlled Units (Tolling Agreements) (p.109)	Moved to Appendix C
CDWR Units (p.109)	Moved to Appendix C
Natural Gas Procurement (p.112)	Moved to Appendix C
Products (p.112)	Moved to Appendix C

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
Baseload Gas (p.113)	Moved to Appendix C
Intra-month (swing) Gas (p.113)	Moved to Appendix C
Transportation Services (p.113)	Moved to Appendix C
Operational transactions (p.113)	Moved to Appendix C
Park and Loan Services (p.114)	Moved to Appendix C
Brokerage Services (p.114)	Moved to Appendix C
Sleeve Fees (p.114)	Moved to Appendix C
Sunrise (p114A)	Moved to Appendix C
Miramar Generating Facility (p.118)	Moved to Appendix C
Palomar (p.118)	Moved to Appendix C
CDWR Gas (p.120)	Moved to Appendix C
Gas Supply Plans (p.120)	Moved to Appendix C
Interaction with UEG Portfolio (p.121)	Moved to Appendix C
Natural Gas Hedging (p125)	Moved to Appendix C
Other Products/Other Fuels (p.127)	Moved to Appendix C
Nuclear Fuel (p.127)	Moved to Appendix C
Residual Fuel-Oil-and-Distillate (p.127)	Deleted
Storage and Transportation (p.127)	Moved to Appendix C
Summary (p.127)	Moved to Appendix C
Gas Pipeline Capacity (p.128)	Moved to Appendix C
Gas Storage Capacity (p.129)	Moved to Appendix C
III. Long-Term Procurement Resource Plan 2007-2016 (p.131)	Same location and title.
A. Introduction to Resource Planning and Planning Approach	Same location and title

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline) (p131)	2012 LTPP Location Changes ¹ New Section and Title
B. Load Forecast (p.131)	Same location and title
C. Supply Forecast for Existing or Planned Resources (p.132)	Same Location. Existing and committed resources are in Appendix A tables.
D. Need Determinations (p.136)	Same location and title
E. Need Determinations – Total Service Area (p.136)	Moved to Section III.G and to Appendix A.
F. Need Determination – Bundled Customer System Need (p139)	Moved to Section III.E
G. Bundled Customer Local Capacity Need (p.139)	Moved to Section III.F
H. Resource to Fill Identified Need (p.140)	Same location and title
I. Approved Resource Plan (p.141)	Deleted section. Some contents combined with Section V.
IV. Procurement Strategy by Resource (p.143)	Same location and title
A. Introduction to Resource Acquisition Strategy (p.143)	Same location and title
B. Energy Efficiency (p.143)	Same location and title
C. Demand Response (p.144)	Same location and title
D. Renewable Energy Procurement Strategy (p.146)	Moved to Section IV.E
E. Distributed Generation (California Solar Incentive and Self Served Load) (P.150)	Moved to Section IV.F
F. Other Generation Supply Resources (p.150)	Moved to Section IV.F
G. Integration of Transmission and Procurement Planning (p.151)	Deleted
Key Transmission Projects that are Critical to SDG&E's Procurement Resource Plan (p.151)	Deleted
V. Evaluation of Resource Plan (P.153)	Same location and title
Environmental Impacts (p.153)	Move to Testimony of Robert Anderson for the Required

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
	Assumptions
VI. Cost Recovery Issues (p.156)	Same location and title
Existing Cost Recover Mechanisms For Procurement Costs (p.156)	New section number - VI.A
Current Commission Guidance Related to Debt Equivalence (p.157)	New section number - VI.B
Current Commission Guidance Related to FIN 46(R) (p.158)	New section number - VI.B
Appendices	
A. SDG&E Advice Letter 1920-E (p.160)	Old Appendix A deleted and replaced with new Appendix A: Energy and Capacity Tables, System Need.
B. SDG&E Advice Letter 1926-E (p.165)	Old Appendix B deleted and replaced with new Appendix B: Electricity and Gas Hedging Plan
C. Requirements for the PRG, IE, and RFOs from D.07-12-052 (p.171)	Moved to Appendix H; New Appendix C: Gas Supply Plan
D. Glossary of Terms (p.176)	Moved to Appendix J; New Appendix D: Congestion Revenue Rights
E. Exhibits to Section II (p.184)	Old Appendix E deleted and replaced with new Appendix E: Convergence Bidding
Exhibit II - 1: Physical Procurement Positions (p.184)	Deleted
Exhibit II - 2: SDG&E's Request for Offer Evaluation Methodology Offer Processing and Evaluation (p.192)	Moved to Appendix G
Exhibit II - 3: Portfolio Financial Positions (p.196)	Deleted
Exhibit II - 4: Physical Gas Positions (p.202)	Deleted
F. Exhibits to Section III (p.209)	Old Appendix F moved to Appendix A; and replaced with new Appendix F: GHG (Placeholder)
Exhibit III - 1: SDG&E Service Area System Need (p.210)	Deleted
Exhibit III - 2: Electricity Resource Planning Capacity Resource	Moved to Appendix A

2006 LTPP Section/Page Number (denoted in black) Revisions/Deletions from 2006 LTPP (denoted in redline)	2012 LTPP Location Changes ¹ New Section and Title
Accounting Table (p.211)	
Exhibit III - 3: SDG&E Service Area High Need Detail (p.245)	Deleted
Exhibit III - 4: SDG&E Service Area Low Need Detail (p.247)	Deleted
Exhibit III - 5: Energy Tables (p.219)	Moved to Appendix A
N/A	New Appendix G. RFO Evaluation Methodology
N/A	New Appendix H. Requirements for the Independent Evaluator
N/A	New Appendix I. Glossary of Terms
N/A	New Appendix J. Acronym List
N/A	New Appendix K. Energy Procurement Organization

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

**DECLARATION OF VINCENT BARTOLOMUCCI
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, Vincent Bartolomucci, do declare as follows:

1. I am a Manager in the Electric Fuels & Procurement Department for San Diego Gas & Electric Company (“SDG&E”). I have reviewed Sections I and II and Appendices C, D E, F, J and K of the Long-Term Procurement Plan, submitted concurrently herewith (the “LTPP”). In addition, I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with D.06-06-066, *et seq.*, to demonstrate that the confidential information (“Protected Information”) provided in the LTPP submitted concurrently herewith (described below) falls within the scope of data protected as confidential pursuant to the IOU Matrix attached to the Commission’s confidentiality decision, D.06-06-066 (the “IOU Matrix”) and/or under relevant statutory provisions.^{1/}

^{1/} The Matrix is derived from the statutory protections extended to non-public market sensitive and trade secret information. (See D.06-06-066, *mimeo*, note 1, Ordering Paragraph 1). The Commission is obligated to act in a manner consistent with applicable law. The analysis of protection afforded under the Matrix must always produce a result that is consistent with the relevant underlying statutes; if information is eligible for statutory protection, it must be protected under the Matrix. (See *Southern California Edison Co. v. Public Utilities Comm.* 2000 Cal. App. LEXIS 995, *38-39) Thus, by claiming applicability of the Matrix, SDG&E relies upon and simultaneously claims the protection of applicable statutory provisions including, but not limited to, Public Utilities Code §§ 454.5(g) and 583, Govt. Code § 6254(k) and General Order 66-C.

3. In D.06-06-066, the Commission adopted rules governing confidentiality of certain categories of electric procurement data submitted to the Commission by investor owned utilities (“IOUs”) and energy service providers (“ESPs”). The Commission established two matrices – one applicable to IOUs, the other to ESPs – setting forth categories and sub-categories of data and providing a confidentiality designation for each.^{2/}

4. To the extent information matches a Matrix category, it is entitled to the protection the Matrix provides for that category of information. In addition, the Commission has made clear that information must be protected where “it matches a Matrix category exactly . . . or consists of information from which that information may be easily derived.”^{3/} In order to claim the protection afforded by the relevant Matrix, the party seeking confidential treatment must establish:

- 1) That the material it is submitting constitutes a particular type of data listed in the Matrix,
- 2) Which category or categories in the Matrix the data correspond to,
- 3) That it is complying with the limitations on confidentiality specified in the Matrix for that type of data,
- 4) That the information is not already public, and
- 5) That the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.^{4/}

^{2/} See, D.06-06-066, as amended by D.07-05-032, *mimeo*, Appendices 1 and 2.

^{3/} See, *Administrative Law Judge’s Ruling on San Diego Gas & Electric Company’s April 3, 2007 Motion to File Data Under Seal*, issued May 4, 2007 in R.06-05-027, p. 2 (emphasis added).

^{4/} D.06-06-066, as amended by D.07-05-032, *mimeo*, p. 81, Ordering Paragraph 2.

5. The Protected Information, consisting of the information described below, is protected pursuant to the following Matrix categories:

Description of Data	Matrix Category	Period of Confidentiality
Appendix C – Shaded data in Section B.1.a Baseload Gas	I.A.4 – Long-term fuel (gas) buying and hedging plans	Three Years
Appendix C – Shaded data in Section C.1. SDG&E Owned Facilities	I.A.4 – Long-term fuel (gas) buying and hedging plans	Three Years
Appendix C – Shaded data in Section C.2. SDG&E Controlled Units (Tolling Agreements)	I.A.4 – Long-term fuel (gas) buying and hedging plans	Three Years
Appendix C – Shaded data in Section C.2. Strategy For Procurement of Fuels	I.A.4 – Long-term fuel (gas) buying and hedging plans	Three Years

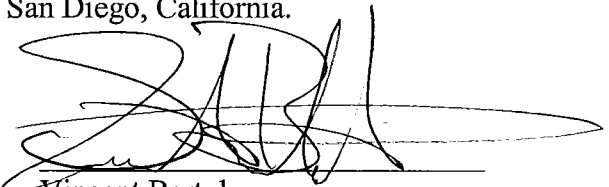
6. SDG&E intends to comply with the limitations on confidentiality specified in the Matrix for the type of data that is provided herewith.

7. I am not aware of any instance of public disclosure of the Protected Information.

8. The Protected Information cannot be provided in a form that is further aggregated, redacted, or summarized and still provide the level of detail requested and expected by the Commission.

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

Executed this 22nd day of March, 2011, at San Diego, California.



Vincent Bartolomucci
 Manager, Energy Supply & Dispatch
 Electric & Fuel Procurement